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WORLD NEWS

Libyans in anti-US rallies

Libya reported yesterday that massive anti-American demonstrations continued in many towns in response to US and Israeli threats to retaliate for last week's attacks at Rome and Vienna airports in which 19 people died.

US television networks reported that American forces in the east Mediterranean were being built up in case a retaliatory strike was ordered.

Libyan Foreign Minister Ali al-Faraj denied any part in the "deplorable blood outages" and "vigorously condemned" them in a letter to UN Secretary-General Javier Perez de Cuellar.

Spain warned on Nato
Spain's Nato allies would consider the alliance gravely weakened if the country decided to withdraw, Nato Secretary General Lord Carrington said in Madrid, Page 2

Giscard looks ahead
Former French President Valéry Giscard d'Estaing said he favoured "cohabitation" with Socialist President Mitterrand if the Right won parliamentary elections in March, Page 2

Poland recalls envoy
Poland dismissed its ambassador to Moscow, Stanislaw Kociolek, a hardline opponent of Warsaw leader Gen Wojciech Jaruzelski.

McGuinness goes free
Leading Sinn Fein member Martin McGuinness was released without charge after six days of questioning by Northern Ireland police.

Pressure for equality
Pressure on employers to promote equal opportunities for women and ethnic minorities will increase this year, a report by pay consultants said, Page 4

Marching for Gartcosh
Nine campaigners, including politicians from all the main parties, began a 450-mile walk to London to protest at the planned closure of the Gartcosh steelworks near Glasgow, Page 4

Sri Lanka checks tea
Sri Lanka authorities began checking tea exports after reports that Tamil separatists had poisoned some with arsenic.

Gold smugglers fined
Businessmen Walter Senior and Frederick Marshall were fined a total of £3,000 in Lincoln for smuggling kruggerands worth £98,000 into Britain in a light aircraft from Jersey.

Hong Kong study
A team of Chinese legal experts is in Hong Kong today to study views on how the territory should be run after 1997, Page 2

Goup suspects killed
A group of Nigerian officers accused of plotting a coup last month died when the aircraft bringing them to Lagos crashed, the Government said.

Elbe oil spill
A Panama-registered tanker, the Brady Maria, split 100 tonnes of oil into the Elbe estuary near Hamburg after colliding with a British freighter, the Weylink.

Hollywood 'paranoia'
American films like Rambo created an atmosphere of paranoia about the Soviet Union in the US, Soviet Deputy Culture Minister Georgy Ivanov said.

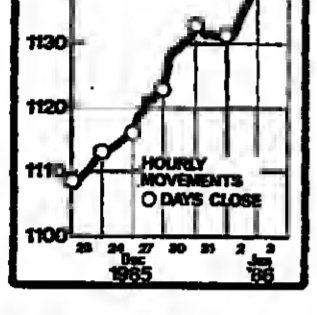
Dustin Gee dies
Television comedian and impressionist Dustin Gee, 43, died in a Southport hospital. He suffered a heart attack during a pantomime on Wednesday.

BUSINESS SUMMARY

FT Index up 11.1 to fresh peak

SHARE prices rose on Europe's stock exchanges and key market indicators closed at record levels in London, Frankfurt, Zurich, Stockholm and Milan. World Stock Markets, Page 10

In London, the FT Ordinary Share Index surpassed its previous peak of 1,146.9.



reached on November 25, while gaining 11.1 points to close at 1,146.9. Blue chip issues were boosted by news of Ministry of Defence orders, Page 12 - Lex, Back Page

DOLLAR recovered in response to comments by the Governor of the Bank of Japan on the need for the yen to settle at its present level, 100 to the US dollar, closed 93.55 higher at ¥202.8 and gained 2.35 pence to DM 2.461. Its index was up from 125.4 to 126.1, Page 11

PHILLIPS Petroleum has won a court award of Nkr 140m (£12.8m) and Nkr 675,000 costs against the Norwegian Government over royalties on Ekofisk oil output, Back Page

BOEING of the US has won a further order worth nearly \$2bn (£1.4bn) which includes further orders from Japan Air Lines for 747 Jumbos, Back Page

FRENCH KIER construction group fighting a £11.5m bid from house-builder C. H. Beazer, gave estimates of higher taxable profits and dividends for 1985, Back Page

UNIT TRUSTS: European funds dominated the 1985 performance tables. The best result came from Oppenheimer's European Growth Trust which gained 84.9 per cent over the year.

BRITAIN'S gold and foreign currency reserves fell by an underlining \$416m in December. It was the largest monthly decline for three years, Page 3

NCB has shut 24 pits in the past six months and says a few more must close if coal output is to be brought in line with demand, South Wales has been hit hardest, Page 4

GKN has sold its fasteners division to the management for £11.6m in a financing operation co-ordinated by Citicorp Venture Capital, Page 8

TRADEWINDS, UK cargo airline wholly owned by Lorrho, said it was ceasing to trade because of over-capacity in the market, Page 4

TOWNSEND Thorsona ferry services dispute at Dover ended with a deal to refer the issue and any local disagreements in future to independent arbitration, Page 4

REDFORD, commercial vehicles division of General Motors of the US, is to cut six days' production at its Luton plant this month to reduce stocks, Page 3

INTERNATIONAL CITY Holdings, money broker, may acquire MKI Investments, a New York-based security broker, in a deal worth up to \$15m (£10m), Page 8

SHAW CARPETS made a pre-tax loss of £564,000 for the six months to November 1, against a £33,000 profit, Page 6

Westland in talks to improve terms of Sikorsky/Fiat offer

BY LIONEL BARBER, BRIDGET BLOOM AND IVOR OWEN

TALKS BETWEEN Westland, Britain's favoured helicopter maker, and its favoured partner Sikorsky/Fiat, are to continue this weekend in an effort to agree on an improved rescue plan for the company.

The negotiations are mainly designed to improve the financial terms of the offer put forward by the US helicopter manufacturer and its Italian partner, which Westland has conceded are inferior to the proposal by a consortium of five European aerospace manufacturers.

Mr Michael Heseltine, the Defence Secretary, yesterday ignored the Prime Minister's efforts to damp down the Cabinet controversy over Westland and continued to underline the advantages of the European offer.

In a letter to Mr David Horne, managing director of Lloyds Merchant Bank, which is advising the European consortium, the Defence Secretary pointed to the risks the company would run by choosing the Sikorsky/Fiat offer.

Westland hopes it can secure better terms from Sikorsky/Fiat so that Sir John Cockney, the chairman, can firmly recommend it to shareholders at an extraordinary meeting on January 14.

Last night several key institutional shareholders said they were disappointed that two days of talks between Westland and Sikorsky/Fiat had failed to produce a new offer.

They expressed guarded support for the plea by Lloyds Merchant Bank to adjourn the extraordinary meeting to give them more time to consider the rival offers.

Mr Michael Baughan, a director of Lazard Brothers advising Westland, declined to comment on any aspect of the negotiations other than saying that they would continue over the weekend.

The difficulties facing the negotiators appear to centre on two key issues. Legal opinion is divided on whether Sikorsky/Fiat can produce a new offer without Westland being required under company law to postpone the shareholders vote at the extraordinary meeting.

Sir John, however, has made it clear that he wants the battle over the future of Westland, which has raged in Whitehall and in Parliament for the past four weeks, to be resolved quickly in the interests of the workforce and the company's shareholders.

Equally, Sir John is understood to be wary of postponing the meeting because it would give the European consortium more time to mobilise support when Parliament reconvenes.

If the meeting is held on January 14, the Westland board must still muster a 75 per cent vote by shareholders present in favour of the Sikorsky/Fiat offer. On the existing financial terms in the rival rescue plans, this would appear unlikely.

Under the present offers, Sikorsky/Fiat's rescue plan involves a £72.3m capital injection, with the two partners having an option to take a stake of up to 39.9 per cent in the company.

The £73m European rescue plan contains a more favourable rights issue, a better deal for Westland's bankers, and a larger stake in the company for the shareholders.

The negotiations this weekend are intended to either match or improve on the European offer so the terms can be approved at a Westland board meeting on Monday.

Mr Heseltine, in his letter to Mr Horne, reaffirmed that the Government has no intention of procuring the Black Hawk helicopter.

Attempt to reach Channel link pact next week

BY ANDREW TAYLOR

BRITAIN and France will attempt in Paris this week to reconcile their differences over which scheme should be favoured for a fixed link across the Channel.

Mr Nicholas Ridley, British Transport Secretary, is due to meet his French counterpart, Mr Jean Auroux, on Tuesday.

At issue is the attitude of the two governments towards the road rail scheme proposed by Channel Expressway. The French have so far opposed Expressway's plans for separate twin bore rail and road tunnels because it says there is insufficient French involvement in the project.

The British Government is thought to prefer a road crossing as well as a rail link, but has ruled out the only other possible road and rail candidate, proposed by EuroRoute, on the grounds that plans for it are uneconomic.

EuroRoute's plans, involving a combination of bridges, artificial islands and tunnels, is the most expensive of the schemes submitted to the two Governments last October.

The French Government appears reluctantly to have accepted the British view that EuroRoute's high cost and likely rate of return has pushed it out of the reckoning. However, it has still to be persuaded that Expressway is politically acceptable, in spite of the fact that SCREG, the French civil engineering concern, supports the scheme.

This would appear to leave the twin-bore rail tunnel proposed by Channel Tunnel Group and backed by a number of major British and French banks and construction groups, as the most acceptable compromise.

Mrs Thatcher, the Prime Minister, is concerned that a rail-only solution could leave the two governments at the mercy of militant rail unions, particularly if the construction of a fixed link meant large scale reductions in cross-Channel ferry traffic.

A fourth scheme, proposed by Eurobridge and involving a road bridge with six spans and a separate rail tunnel, has already been ruled out following the assessment undertaken by British and French officials at the end of last year.

The first formal meeting of senior British ministers to discuss the merits of the various fixed link proposals took place in London yesterday, but no conclusion was reached.

The Cabinet is due to discuss the fixed link at its meeting on Thursday. Both governments are keen to resolve their differences as quickly as possible. Only a few weeks remain before their decision is due to be announced.

The issue now appears to revolve around just two schemes - Channel Tunnel Group's rail tunnel and Channel Expressway's road and rail tunnel. What is not clear is how strong French resistance is to Expressway's plans, and how hard the British government is prepared to push to persuade the French that there must be a road as well as a rail link.

Mr Ridley has suggested that the two governments could still decide not to build a fixed link, but this outcome appears highly unlikely. It may even have been said to put pressure on the French, who want to announce a winning scheme before the French general election this spring.

WEEKEND FT



MUSIC MAKERS

Piano competitions, a phenomenon of the post-war musical scene, offer hope to struggling young soloists. But even international recognition of talent may not make a career.



SAVINGS

Weekend FT's resident family - in laws and all - review their finances at a round-the-supper-table family conference.



ARTS

Michael Cimino, film director who had a great fall, returns in his Year of the Dragon.



SALES

Push, shove, push-push shove with the harpoin' hunters in the London stores.

MoD to spend £900m on submarines and torpedoes

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

ORDERS worth close to £1bn for four submarines and Sting Ray torpedoes were announced by the Ministry of Defence yesterday.

The submarine orders, worth £500m, will go to the VSEL group, which comprises Vickers Shipbuilding and Engineering, and Cammel Laird. Three of the vessels are of the diesel electric Type 2140 or Upholder class, and the other, costing some £200m including weapons systems, is a nuclear-powered Trafalgar class hunter-killer submarine.

Orders for some 2,000 Sting Ray torpedoes worth about £400m have been placed with Marconi Underwater Systems, the CEC subsidiary, which has developed the weapon.

Mr Norman Lamont, minister in charge of defence procurement, said the ministry's tougher policies on defence contracting meant that the Government would pay £20m less than it had expected on the three Upholder boats.

Half of the savings came from putting the vessels out to competitive tender and half from simultaneous orders being placed for all three submarines.

Mr Lamont said he expected the decision to place a bulk order for Sting Ray torpedoes would save more than £50m. Torpedoes have previously been ordered in batches of a few hundred.

Mr Keith Watson, chairman of Marconi Underwater Systems, said the company was relieved finally to have concluded the Sting Ray contract.

The company's torpedo programmes had been unfairly criticised by the Public Accounts Committee last year but the order had done much to redress the balance, he said.

Part of the year's delay in the negotiations appears to have been caused by the Defence Ministry's insistence that Marconi should be paid for the weapons only after they had met stringent performance tests set by the Royal Navy.

Mr Rodney Leach, VSEL chief executive, welcomed the submarine orders, which could mean up to 800 new jobs for Cammel Laird, which a year ago was fighting for its life. The three diesel electric submarines would probably be built by the Birkenhead yard.

Hanson offer 'would fulfil Imps plan to diversify'

BY CHARLES BATCHELOR

HANSON TRUST, the industrial conglomerate headed by Lord Hanson, yesterday posted details of its record-breaking £1.8bn takeover bid for Imperial Group, saying a combination of the two concerns would be the answer to Imperial's unsuccessful attempts to diversify.

The bid is intended to torpedo the proposed £1.22bn merger between Imperial - which has brewing, tobacco and food interests - and United Biscuits, as well as gain control of Imperial. United Biscuits and Imperial revealed their defensive merger plan four days before Hanson announced its bid - Britain's largest - early last month.

Lord Hanson said in a letter to Imperial shareholders that "Imperial's plans to diversify will be fulfilled at a stroke by acceptance of our offer."

"We have consistently demonstrated our know-how in acquisitions and their subsequent development. We shall apply our financial strength, management techniques and philosophy to Imperial, so allowing its managers to forget Continued on Back Page Lex, Back Page

Much had been made of the export potential of the design but efforts to sell it to Australia have failed and there are apparently no other takers.

Marconi has high hopes of exporting Sting Ray, sales of which so far amount to about £20m.

Britannia repels Guinness Peat

BY DAVID LASCELLES

BRITANNIA ARROW, assisted by allies led by Mr Robert Maxwell, publisher of Mirror Group, yesterday repelled a £281m takeover bid by Guinness Peat that would have created a large UK financial services group.

After a 68-day battle, Guinness Peat conceded defeat by announcing at 5 pm it had received acceptance of only 39.6 per cent. Allowing for its own stake in Britannia of 29.9 per cent, this implied acceptances from other shareholders of less than 10 per cent. More than half of this is believed to have come from London and Manchester, the institution which held about 5.5 per cent.

However, Britannia's victory immediately raises questions about the intentions of Mr Maxwell, whose concert party was believed to be holding a paper loss of some £2m last night on the 29 per cent stake it had accumulated in Britannia in order to thwart the bid.

After the result, Britannia's share price fell 4p to 138p, for a decline of 3p from the previous night's close. Guinness Peat had been offering 140p in cash or 148.3p in securities.

Guinness Peat's shares closed unchanged at 71p, though they sank to 68p during the day. In a statement, Mr Maxwell hailed the result as "a vote of confidence" in Britannia's management. But he would not comment about future steps.

Mr Michael Newman, chief executive of Britannia, which had been advised by Lazard Brothers, welcomed "a strong supportive new shareholder" and said that while Mr Maxwell was viewed by some as a controversial figure, he had many achievements to his credit. Britannia has also invited Mr David Stevens, chief executive of MIM, the investment institution which belonged to Mr Maxwell's party, to join its board.

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*Offer to bid from launch 1.9.84 to 1.12.85 net income reinvested. Source: Planned Savings. The price of units can go down as well as up.

MARKETS

DOLLAR New York lunchtime: DM 2.463 FF 7.558 SF 2.0705 Y202.5 London: DM 2.461 (2.4375) FF 7.555 (7.455) SF 2.067 (2.052) Y202.6 (199.06) Dollar index: 126.1 (126.4)	STERLING New York lunchtime \$1.4388 London: \$1.439 (1.4505) DM 3.5425 (3.538) FF 10.87 (10.8775) SF 2.975 (2.9775) Y251.5 (258.75) Sterling index 78.0 (77.9)
US LUNCHEXTIME RATES Fed Funds 8 1/4% 3-month Treasury Bills: yield: 7.25% Long Bond: 105 1/4 yield: 9.25%	LONDON MONEY 3-month interbank: closing rate 11 1/4% (sama) 3-month eligible bills: buying rate 11 1/4-1/2% (11 1/2)
GOLD New York: Comex Feb latest \$330.0 London: \$327.5 (\$327.25) Chief price changes yesterday, Back Page	STOCK INDICES FT Ord 1,149.6 (+11.1) FT-A All Share 690.80 (+0.8%) FT-SE 100 1,429.8 (+9.3) FT-A long gilt yield index: High coupon 10.47 (10.41) New York lunchtime: DJ Ind Av 1,548.67 (+8.94) Tokyo market closed.

CONTINENTAL SELLING PRICES: Austria Sch 20; Belgium SF; 46; Denmark Kr; 8; France F; 8.00; W Germany DM 2.20; Ireland Sp; Italy L1,500; Malta 300; Netherlands Fl 2.75; Norway Nkr 7.00; Portugal Esc 20; Spain Ptas 125; Sweden Skr 7.00; Switzerland Fr 2.20.

For London market and latest share index 01-346 8028; overseas markets 01-346 8066

OVERSEAS NEWS

Carrington warns Spaniards over Nato withdrawal

BY DAVID WHITE

SPAIN'S European allies would consider the country's withdrawal from Nato as a result of its planned referendum to be a very grave weakening of the Alliance. Lord Carrington, the Nato Secretary-General warned in Madrid yesterday.

Giscard warning on move to force Mitterrand out

BY DAVID HOUSEGO IN PARIS

FRANCE'S FORMER President Valéry Giscard d'Estaing has strongly warned his colleagues in the French opposition against trying to force President Francois Mitterrand to resign in the event of a right-wing victory in the Parliamentary elections in March.

New Commission portfolios

Table with 2 columns: Commissioners and Responsibilities. Lists names like Jacques Delors, Lorenzo Natali, Karl-Heinz Narjes, Frans Andriessen, Lord Cockfield, Henning Christophersen, Manuel Marin, Claude Cheysson, Alois Pfeiffer, Grigoria Varfis, Willy De Clercq, Nicolas Mosar, Stanley Clinton Davis, Carlo Ripa di Meana, Peter Sutherland, Antonio Cardoso e Cunha, Abel Metutes.

English cricket programme under threat

By Robert Mauthner, Diplomatic Correspondent

ENGLAND'S international cricket programme and possibly some of its other international sporting links are threatened by the last-minute cancellation on Thursday of the England 'B' team's cricket tour of Bangladesh.

The tour was cancelled when the players were already at Heathrow Airport and after four members of the team with South African connections had been refused entry to Bangladesh because they had declined to sign a declaration deploring apartheid and undertaking not to play or coach in South Africa in the future.

The four players were advised not to sign the declaration by the English Test and County Cricket Board (ECB), which was worried about creating a precedent.

Through Bangladesh's move has caused a furor in Commonwealth sporting circles, the Foreign Office in London denied that the inclusion of players with South African connections in an English touring side contravened the 1977 Gleneagles agreement between the Commonwealth countries on sporting links with South Africa.

Under that agreement, the signatory governments undertake to withhold any form of official support for and actively to discourage sporting links between its nationals and South African sports organisations. But officials stressed that the British Government could not impose travel restrictions on its own citizens and that the cancellation of the cricket tour of Bangladesh was a matter for the cricketing authorities to decide.

Though the indications at the moment are that the second leg of the English tour of Sri Lanka will be allowed to go ahead, the third leg to Zimbabwe is under threat, as is the winter Test tour by England of the West Indies, due to start later this month.

Milan court on alert after bomb warning

By Alan Friedman in Milan

THE CENTRAL courthouse in Milan went on alert yesterday when an anonymous caller telephoned to warn of a bomb attack by Palestinian terrorists. Meanwhile, in Naples, the US Consulate was evacuated for five hours when police were told that a bomb would explode there.

REAGAN AND MEXICAN PRESIDENT MEET FOR BORDER SUMMIT

Radical move proposed to solve Mexico's debt problem

DAVID GARDNER IN MEXICALI

THE CONVERSION of the Mexican Government's ballooning domestic debt into internationally tradable shares in state-owned companies could help solve Mexico's \$96bn (£87bn) foreign debt problem, according to one of the country's leading private economists.

This radical proposal follows the past year of debt-for-equity swaps in state enterprises. It would be designed to help flesh out the bones of the 'Baker Plan' to ease Third World indebtedness outlined by Mr James Baker, the US Treasury Secretary, at the IMF annual meeting in Seoul in October.

The proposal comes as President Miguel de la Madrid and President Ronald Reagan were due to meet yesterday in

Mexicali on the Mexican side of the Californian frontier. This border summit, unlike the previous three meetings, the two men have had, is expected to be dominated by Mexico's financial problems. Mr Baker and Mr Jesus Silva Herzog, the Mexican Finance Minister, will attend.

The new debt proposal is being put forward by Dr Rocio Ramirez de la O, the Cambridge-trained head of Ecanal, a prestigious private consultancy. Senior government officials have copies of the yet unpublished plan.

The plan sees domestic indebtedness as the root cause of Mexico's financial problems. This year, the government's interest bill for domestic borrowing will be the equivalent of 8 per cent of GDP against a foreign debt service bill of 4.5

per cent, making its aim of halving the budget deficit from last year's 10 per cent of GDP look unachievable. The main cause of the deficit is the high interest bill and transfers to cash-hungry public enterprises.

Dr Ramirez argues that gradual conversion of this domestic debt burden into attractive share packages would improve Mexico's single most important structural distortion. It would do this by pushing the budget back towards surplus and reducing inflation and the government's monopoly pressure on the money market, which is currently freezing out private investment; and in the medium term, by sharply reducing the need to borrow heavily abroad, and revaluing existing foreign debt.

The plan requires heavy foreign finance in its initial stages. But the paper argues that the Baker Plan emphasis on aiming new credits at structural reform should favour this. In the run up to yesterday's Mexicali meeting, officials privately stressed their full support for Mexican efforts to secure new external finance but ruled out any major government to government credit.

This will be the first US Mexican summit not dominated by the two governments' differing perceptions of Central America, where Mexico, in partnership with the Gonaïves group (which includes Colombia, Panama and Venezuela), has been seeking a negotiated peace for the regions' wars, so far in vain. The Gonaïves peace plan has taken a back seat in hi-

lateral terms partly because Mexico has withdrawn from the front line of the peace effort and partly because Washington's enthusiasm for the currently stalled Gonaïves Initiative has tended to rise in proportion to its likelihood of failure.

This aspect of yesterday's talks was expected to be handled in large part by Mr George Schultz, the US Secretary of State, and Mr Bernardino Sepulveda, the Mexican Foreign Minister.

They were also expected to review the two countries' programmes in containing the drugs traffic from Mexico to the US. Last year, Washington's belief that Mexican officials were heavily involved in the booming drugs trade, brought relations between the two sides to their lowest level in years.

S. Africa tribal fighting death toll mounts

BY JIM JONES IN JOHANNESBURG

BETWEEN eight and 30 Ndebele and Sotho tribespeople have been killed and dozens injured since the New Year in inter-tribal fighting triggered by Sotho opposition to the South African Government's plans to consolidate Sotho ancestral lands in the Moutse area into the kwaNdebele black homeland. KwaNdebele is destined for 'independence' later this year.

The violence began early on New Year's Day when a Ndebele vigilante force, the Imbokodini, decided to claim the land and attacked villagers in the Moutse area who are opposed to incorporation into kwaNdebele. The land claim was made even though the official proclamation of incorporation has not yet been published.

Mr Maredi Cheue, a black parliamentarian from Moutse, has alleged that police have done little to stop the vigilante attacks, despite the fact they had been warned of the pending attacks.

Yesterday, a police spokesman rejected the allegations and pointed out that two policemen had been killed while investigating the fighting. Moutse is about 60 miles

South African police have banned today's planned memorial service for Mrs Jolly Blackburn, the civil rights activist killed in a motor accident last Saturday, Jim Jones reports. A ban has also been placed on people or vehicles being near Port Elizabeth's Feather

Market Hall where the service was to have been held. Police said Mrs Blackburn and Mr Brian Bishop, another civil rights activist, were involved in a collision last Saturday when returning to Port Elizabeth after investigating allegations of security force excesses in black townships.

pretext the strong resistance to incorporation as evidence that black rural opposition to government policies is as strong as urban opposition.

Analysts also believe that the Government is reluctant to force Moutse to incorporate into kwaNdebele.

Elsewhere, South Africa's pattern of black township violence continues virtually unchanged. Yesterday, the police reported nationwide killings, incidents of arson and stoning of police vehicles. A month-old black boycott of white businesses has been conditionally called off in the Johannesburg, Pretoria and Vaal Triangle areas. The Consumer Boycott Committee (CBC) said yesterday that the boycott would resume on February 1.

Leadership crisis hits Kampuchean faction

BY CHRIS SHERWELL, SOUTH EAST ASIA CORRESPONDENT

A LEADERSHIP crisis in the Khmer People's National Liberation Front (KPNLF) is threatening to damage diplomatic and military efforts by the tripartite Kampuchean resistance to drive occupying Vietnamese forces out of Kampuchea.

The crisis focuses on divisions between Mr Son Sann, the 73-year-old president of the KPNLF who is also Prime Minister of the UN-recognised resistance coalition, and a dissident faction calling itself the 'provisional central committee for the salvation of the KPNLF'.

The faction includes key military figures in the front and others who have fallen out with Son Sann. The issues appear to involve Son Sann's allegedly autocratic methods and, more importantly, command of the

front's forces and co-operation with troops under former ruler Prince Norodom Sihanouk. The dissidents claim to have taken control of the KPNLF, but this does not apparently mean Son Sann has been ousted altogether. Prince Sihanouk himself evidently continues to recognise Son Sann as Prime Minister of the coalition, and he could yet retain a diplomatic role.

The faction fighting, thought not new or unusual among Khmer politicians, is unhelpful to the Kampuchean resistance, and especially to its two non-communist components, the KPNLF and the Sihanoukists. The third element, the Peking-backed Khmer Rouge, was ousted from power when invading Vietnamese troops installed the Heng Samrin regime in Phnom Penh seven years ago.

French missiles extend Iraq's capacity to attack

BY RICHARD JOHNIS

NW air-to-surface missiles supplied by France have given Iraq the capacity to strike at Sirri Island, the source of nearly all Iran's oil exports after transport from tankers on the shuttle service from Kharg Island. Just over a month ago Iraq started taking delivery of 200 AS30 laser-guided missiles manufactured by Aerospatiale and Thomson-CSF, according to Western diplomats. They can be launched from either French-supplied Mirage 200 or F1 aircraft in service with the Iraqi Air Force.

French defence officials declined to comment on the deal this week, but did not deny it. The missiles are far more effective than the Exocets used by

Iraq and have the range to hit super-tankers at Sirri Island.

The Iranian Government is understood to be aware of the deal, which has further exacerbated its relations with France. Iraq's possession of the AS30s is likely to expedite its development of alternative export outlets.

The biggest single project is for two parallel 42-inch pipelines from the southern oil fields in Khuzestan to Assaluyeh, about 250 miles south-east of Kharg Island, where a new terminal is being built.

Iran is understood to have whittled down the number of contenders. 11 companies were invited to bid — to two. They are Saipem of Italy and Daewoo of South Korea.

Shamir calls for retaliation

BY OUR MIDDLE EAST STAFF

ISRAEL'S Foreign Minister, Mr Yitzhak Shamir, called yesterday for military action to be taken against guerrilla forces which fired rockets at Jewish settlements in northern Galilee. Several rockets launched from southern Lebanon hit the region on Thursday causing some damage but no injuries. The Israeli army retaliated with artillery fire.

When Israel invaded Lebanon in 1982 under the code name 'Peace for Galilee' the then government pledged that rockets would never again be allowed to fall on its northern settlements. Israel maintains a security zone in southern Lebanon which is policed by the South Lebanon Army, a 2,000-strong militia

which it finances and equips. Israel radio said yesterday that the SLA had killed two guerrillas in a clash close to the security zone.

Mr Shamir warned that Israel was 'in a period of danger' and said he hoped that the Israeli Defence Forces would ensure that no further attacks occurred.

The increase in tension in the south Lebanon came in the wake of Syrian efforts to broaden the agreement reached last weekend in Damascus between the three main Lebanese militias. The agreement aims at concluding the 10-year civil war with a far-reaching programme of constitutional reform.

Savimbi to visit US in quest for aid

MR JONAS SAVIMBI, leader of the UNITA rebels in Angola, is to take his campaign for US funds to Washington later this month. A UNITA spokesman said here yesterday. Reinaldo Mate Savimbi is expected to meet Reagan Administration officials, members of Congress and Conservative lobbyists during a two-week visit in the US.

Mr Savimbi's visit is timed to influence the debate in Congress and the Administration over whether and how to provide US aid to the UNITA forces in their struggle against the left-wing Angolan Government. A Congressional ban on aid to the rebels was lifted last year.

President Ronald Reagan has said that any aid to UNITA should be covered, rather than the relatively small sums for overt 'humanitarian' assistance under consideration in Capitol Hill.

Conservatives have long been pressing for substantial military aid to the rebels as a signal in Moscow that the US is determined to halt Soviet worldwide expansionism. Congress is expected to return to the issue soon after it reconvenes on January 21.

Promise for Haiti

President-for-life Jean-Claude Duvalier promised Haiti's 5.5m people that 1986 would bring a 'new economy' for their country, has known since the start of the decade. AP reports from Port-au-Prince.

In a 40-minute speech broadcast over television and radio from the national palace, President Duvalier did not mention anti-Government protests that resulted in security forces killing 100 students last year, or his firing of four top Cabinet members, and the national police chief this week.

Nigeria officers killed

A group of Nigerian officers accused of involvement in an unsuccessful coup were killed in a plane crash on New Year's Eve, the Government announced yesterday. Reuter reports from Lagos.

A spokesman for the President, General President Ibrahim Babangida, said the plane, a presidential jet, crashed while bringing the town of Mekuadi. Nigeria's military rulers announced in December they had foiled a plot by disgraced officers.

World Bank interest cut

The interest rate on most World Bank loans to under-developed countries will be cut to 8.5 per cent from 10 per cent, the bank officials said, AP reports from Washington.

The reduction was the seventh since the bank began lending at variable rates on July 1, 1982. At that time, the rate was an 11.47 per cent a year. For the second half of 1985, the rate was 8.32 per cent.

China oil output up

CHINA'S oil output rose to a record 124.8m tonnes in 1985 from 114.5m in 1984 and is targeted to reach 150m by 1990. The China Daily quoted Petroleum Minister Wang Tao as saying.

Wang said natural gas output totalled 7.5m cubic metres last year and is expected to rise to 15bn by 1990.

Patrick Cockburn looks at some of the problems in store for Russians who aspire to their own transport

Why Soviet cars are more than just a question of cash

IN THE winter snows, the 11m car-owners in the Soviet Union often protect their vehicles by leaving them in garages for three or four months.

On average, a Soviet private car runs for only nine months of the year, and where garage space is not available, it is covered with tarpaulin to protect it until spring.

There is good reason why Soviet citizens devote such care and attention to their cars. The difficulty of buying a car has gone down in recent years, but the price is still high, between 8,000 and 9,000 roubles (£7,300-£8,200) for the most popular makes such as the Zhiguli sold in the West as Lada. Soviet statistics show that on average, a motorist will have saved eight years to buy his car.

Despite this, private-car ownership is increasingly common in the Soviet Union, even if the phenomenon is comparatively new. In 1980, there were only 6.3m private cars in the country, giving an average of 24 cars per 1,000 people, compared to 256 in Britain and 526 in the US. Last year, Soviet citizens bought 1.5m cars.

medium-size Zhigulis and Moskvitches (80 per cent of private cars), tiny Zaporozhets (17 per cent) and the good-sized Volgas (3 per cent).

But the backbone of the Soviet transport system for individuals remains buses, trams, trains and aircraft. Every city with a population of more than 1m has a right to have its own metro system. Fares are low. 'It costs me five kopeks (less than five pence) for a 45-minute metro journey to work and the same to go home,' said one Muscovite with a car, explaining why he does not drive to work.

Yet the demand for cars is high, despite the high price for purchase and maintenance. Soviet drivers advance two reasons for this. In the cities, where two-thirds of Soviet car-owners live, new housing projects are often a long way from work. But leisure trips outside the city on days off, not access to work, is the main reason advanced by 50 per cent of Soviet citizens who were asked why they bought a car. Only 10 per cent of those questioned said they bought a car to avoid the long queues for public transport. In the shopping rush before the New Year holiday, the streets of Moscow have been crowded in the evening with



Russians take to the road: a small holiday home is more essential than a luxury car.

both surrounded by dachas, small holiday villas or huts, to which people from the city flock for summer weekends and holidays. The 5m population of Leningrad owns some 900,000 dachas in the countryside around the city. Given that city flats are often very small and pre-fabricated, dachas can be bought cheap for as little as

make an impact. This is in part because of lower incomes, greater difficulty in maintaining a vehicle and lack of petrol pumps.

Motorcycles, however of which there are 12m in the Soviet Union, are common in the villages and small towns. At about Rouble 1,000 they cost one-seventh of the price of the cheapest car and are therefore much more accessible to the less well-off and the young.

Buying a car in the Soviet Union is more than a question of raising the cash. Factories, ministries, state organisations, republics and every one of the public institutions in Soviet life has its allocation of cars.

Where the allocation is sizeable, such as in a factory which needs to attract skilled workers, waiting time for a car is often a matter of months.

In professions with a small allocation, the aspirant car-owner may have to wait much longer. He may then try to take a short cut and buy on the second-hand market, but to do so he will pay a price, accessible to the less well-off and the young. Buying a car in the Soviet Union is more than a question of raising the cash. Factories, ministries, state organisations, republics and every one of the public institutions in Soviet life has its allocation of cars.

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A shortage of petrol stations, and in some areas their complete absence, also means that much petrol is bought illegally.

One survey showed that 38 per cent of all petrol used by private car owners was bought on the black market below state prices which are now roubles 4 for 10 litres.

The overall losses to the state are enormous. The Interior Minister pointed out that in the last seven years the number of private vehicles on the roads had risen 180 per cent, but the official sale of petrol by only 20 per cent.

The difference was made up by the black-market dealers whose access to supplies is all the greater because a large part of the Soviet truck fleet runs on petrol, not diesel fuel.

Widespread theft of petrol is inevitable until the number of petrol stations is increased. It is not clear, however, why state oil depots should not sell petrol direct to the customer at the official price.

It is in this area, in services, rather than in the structure of the Soviet car market as a whole, that change can be expected over the next 15 years. A cheap car of Roubles 3,000-4,000 roubles is likely to stay a consumers' pipedream.

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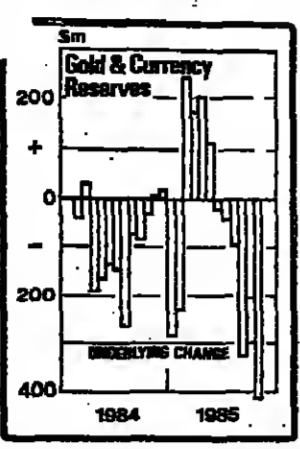
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UK NEWS

Reserves show biggest fall for three years

By MICHAEL PROWSE

BRITAIN'S gold and foreign currency reserves fell by an underlying \$416m in December, the biggest monthly fall for three years.



The fall was sharper than expected, prompting speculation among City analysts that Bank of England intervention to support sterling during last month's oil price scare had been more substantial than suspected.

The apparent scale of intervention was thought to reflect the authorities' determination to defend the pound, and thus keep the anti-inflation policy intact, without raising interest rates.

Britain's underlying reserves for exchange rate weakness may have been reached. Officials at the Treasury and the Bank, while conceding there had been some foreign exchange intervention last month, denied the fall in underlying reserves was necessarily a good guide to the scale of intervention. They said changes in the reserves reflected a variety of official transactions besides intervention on the foreign exchange markets.

In the three months since September, the average fall in underlying reserves was \$314m. In the preceding three months, the average fall was only \$47m. Official reserves were rising in the first half of last year.

Mr Stephen Lewis, chief economist at Phillips & Drew, the broking firm, said last month's figures indicated that Bank intervention to support the pound went well beyond "smoothing operations."

He said that with the sterling index, which measures the pound's value against a basket of foreign currencies, at about 78, the limit of official tolerance for exchange rate weakness may have been reached.

At the end of December, the official reserves stood at \$15.54bn, well above the level of a year ago because of the boost in October from the Government's \$2.5bn floating rate Euroloan.

Mr HARRY EWING, the Labour MP for Falkirk East, said yesterday he was concerned about the consequences of a takeover of the Distillers Company by the Argyll food group.

In a rare political attack against Argyll's plan, Mr Ewing issued a statement saying he had asked Mr Leon Brittan, the Trade and Industry Secretary, to refer the £1.5bn bid to the Monopolies and Mergers Commission.

Mr Ewing said Argyll's implied intention to sell off the non-drink activities of Distillers — a reference to its yeast and carbon dioxide business — would have serious consequences for General Region with as many as 700 jobs at risk. A number of DCL's operations are in Mr Ewing's constituency.

He said he did not accept Argyll's assurances that jobs were secure on the drinks side because a bottling plant in Grangemouth owned by the ADP company within Argyll and sold to William Muir, the specialist bottling company, was later closed.

Mr Ewing also attacked Argyll's proposal to set up a new group headquarters in Edinburgh saying Mr James Gulliver, Argyll's chairman, had also given the impression the offices would be built in Stirling.

Argyll dismissed the attack. Mr Alistair Grant, the company's managing director, said his company has said it would run the non-drinks business of Distillers for two years before deciding on its future.

Mr Grant said the company was set on establishing its new group headquarters in Edinburgh if the bid is successful.

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Artificial intelligence venture to be closed

By Raymond Snoddy

RACAL ELECTRONICS and Norsk Data, the Norwegian mini-computer company, are to close a joint venture which has been developing artificial intelligence computer systems.

The venture, Racal-Norsk, will cease trading at the end of the month, less than two years after it was set up with the aim of producing a system to develop artificial intelligence applications in defence, engineering, education and finance. About £2m was invested in the project.

A system was produced last year and sold to several customers including the Norwegian Government and a Norwegian university, but there was no sign that the joint venture could have made an operating profit this year.

The market for large artificial intelligence systems had not developed as quickly as expected, the company said yesterday.

Norsk Data plans to form a development team to investigate the use of artificial intelligence software on its mini-computers. Racal will continue to examine the potential of artificial intelligence for defence and data communication systems.

European funds top unit trust league

By GEORGE GRAHAM

EUROPEAN investment funds scored a resounding success last year and dominate the year's unit trust performance tables compiled by Planned Savings magazine. The best performance came from Oppenheimer's European Growth trust, which gained 84.9 per cent over the year.

Trusts investing in Europe filled 15 of the top 20 places. Of the 24 European specialist trusts, only one — a Hambros Bank fund specialising in Scandinavia — failed to achieve an investment performance in the top 10 per cent of all unit trusts.

Led by West Germany, European stock markets have risen strongly over the year. With the Commerzbank index up by more than 75 per cent in the year, the Capital International European index has gained 43 per

UNIT TRUST PERFORMANCE IN 1984

Rank	Trust Name	Gain (%)
1	Oppenheimer European	84.9
2	FS Balanced Growth	72.5
3	Murray European	69.4
4	Baring First Europe	67.5
5	Guinness Mahon Recovery	66.8
6	Tyndall European Growth	66.0
7	Grofund European	65.3
8	TR Special Opportunities	65.3
9	Mercury European Growth	64.0
10	GRE European	63.5

Investors. Domestic investors have been left behind. Mr Martyn Page, who manages the Oppenheimer European Growth fund, said he believed the rise in European share values was not a flash in the pan but reflected a revaluation by UK and US investment managers bringing new analytical methods to the European equity markets.

Stock markets have also been helped by fiscal incentives such as France's Loi Monory or Belgium's Loi de Giera, which provide tax relief for private investors who buy shares.

European specialist funds have largely displaced last year's top performing unit trusts, which included both UK and Japanese funds. Only FS Balanced Growth — like Oppen-

heimer European, a new fund which did not feature in last year's tables — Guinness Mahon Recovery and TR Special Opportunities are ranked in Planned Savings' top 10.

Japanese and US unit trusts have not matched European investment gains. The best performing Japanese unit trust, MIM Japan Performance, gained 38.5 per cent over the year, while BG America, the best US performer, rose by 37.2 per cent. All but two of the 24 European specialists beat this performance.

The worst results came from two unit trusts investing in the Singapore and Malaysian stock markets, which collapsed in December. Henderson and Schroder both saw their specialist funds' unit prices drop by 40 per cent during 1985.

Labour MP attacks Argyll bid to control Distillers

By MARK MEREDITH, SCOTTISH CORRESPONDENT

MR HARRY EWING, the Labour MP for Falkirk East, said yesterday he was concerned about the consequences of a takeover of the Distillers Company by the Argyll food group.

In a rare political attack against Argyll's plan, Mr Ewing issued a statement saying he had asked Mr Leon Brittan, the Trade and Industry Secretary, to refer the £1.5bn bid to the Monopolies and Mergers Commission.

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Bedford cuts van production at Luton

By John Griffiths

BEDFORD is to cut six days' production at its Luton van plant this month to reduce stocks, mainly larger versions of its Midi panel van.

The action is intended to reduce the month's output by 450 units.

Bedford, General Motors' UK commercial vehicles subsidiary, attributes the move to an imbalance in stocks rather than an overall decline in demand.

Some long wheelbase and windowed versions of the Midi, launched at the start of last year, have not achieved the sales expected — although the range overall increased Bedford's sales in the up to 2.5 tonnes sector by nearly 35 per cent last year. This compares with 8 per cent growth in the market sector itself last year.

Bedford also produces the larger CV van at Luton. The two models combined increased Bedford's sales in the total medium and heavy van market by about 10 per cent last year, placing it third behind Ford and BL's Freight Rover division.

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Store chain in financial service link

By Our Financial Staff

WICKES, THE home improvement stores chain, today launches financial and banking services for customers with Western Trust & Savings, the Plymouth banking group. The move marks further expansion of banking beyond traditional limits.

The facility will enable the stores' clients to obtain mortgages, personal loans, insurance and personal banking facilities. It includes a home buying and selling service. The key to the service is a terminal linking the stores to Western Trust computers in Plymouth, and enabling stores to offer mortgages and loans on the spot.

Wickes' property and financial services branches will also offer personal banking facilities provided by the bank. Current accounts will carry no charges and have a £500 credit facility.

The banking service is based on software developed by the bank. The bank hopes to sell it to other retailers. Western Trust is a Royal Bank of Canada subsidiary.

The replacement by most UK banking groups of old-style cheque-guarantee cards with bearing a hologram has confused some users and retailers. Barclaycard and TSB Trustcard, which act both as credit and cheque-guarantee card, are not affected by the change but some retailers have refused to accept some of them because they think them invalid.

Thousands still have old-style Barclaycards and Trustcards, valid until expiry. Retailers should accept these, subject to usual procedures, both as credit and cheque-guarantee card, until expiry date.

SDP council to debate advertising on the BBC

By IVOR OWEN

DIFFERING views among the leaders of the Social Democratic Party over whether advertising should be introduced by the BBC will be debated by the party's policy-making forum at Bath later this month.

Two motions reflecting the conflict of opinion have been tabled by the policy committee and they will be debated during the final stages of the two-day session of the Council for Social Democracy opening on January 25.

Mr Charles Kennedy, MP for Ross, Cromarty and Skye and a former BBC journalist, will propose a motion calling for the abolition of the existing licence fee system and advocating that some of the BBC's services should be financed by advertising.

Scottish outlook 'best for years'

Financial Times Reporter

SCOTLAND'S ECONOMIC and industrial prospects were better than for many years, with more jobs and industries moving in, according to Mr George Younger, Scottish Secretary, yesterday.

"We are out-performing most other parts of Britain and the prospect is that this will continue," he told Sir James Galloway, chairman of the Scottish Conservative Party, in a New Year message.

Another year of expansion in Scotland's economy was expected.

He said: "North Sea oil exploration and development will continue at their present very high levels and manufacturing output and productivity will rise. Employment will continue to increase and unemployment, which has now been broadly level since last April, is expected to ease as new government measures come into effect."

He said difficult problems remained to be faced: "We have to safeguard the core of our steel industry by facing up to hard decisions new to avoid much harder decisions in the future. We have to solve the increasingly absurd teachers' dispute before irreparable damage is done to this generation of schoolchildren."

Gould group

GOULD, the US engineering control equipment maker, has asked us to point out that Siemens of West Germany has not bought an interest in the company, which was reported incorrectly

one or two national radio stations.

Mr Roger Little, chairman of the SDP communications committee and a member of Lambeth council in London, will move an alternative motion which flatly opposes the introduction of advertising on the national networks of BBC television or radio.

Raymond Snoddy writes: The strong growth of independent television companies' advertising revenue is expected to continue at least for the first quarter of 1986.

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it pays to know
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RETIREMENT CASH FUND
PAST PERFORMANCE
Annual Premium £500
male 59 years 11 months attained.
Retirement Age 65 (5 premiums paid).
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£4,867
£4,677
£4,486
£4,269
£4,090

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FRIENDS' PROVIDENT (November 1985)*
NEXT BEST OFFICE (Planned Savings: November 1985)*
AVERAGE OFFICE IN TOP TEN (Planned Savings: November 1985)*
WORST OFFICE IN TOP TEN (Planned Savings: November 1985)*

*For policyholders retiring on 1st September 1985.

This is just one example of the impact of our new bonuses.
The more you look at our track record — both over short and longer term policies — the more you realise that knowing the right people can make all the difference between a modest return and an outstanding one.

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When it comes to bonuses, the figures above carry a loud and clear message for 1986.
It pays to know Friends' Provident.

Friends' Provident
Member of the Association of British Insurers
PERSONAL PENSION PLANS

UK NEWS

Change of emphasis in industrial policy urged

GOVERNMENT industrial policy should change emphasis to reflect recent advances in economic theory...

Mr K. J. Button, an economist at Loughborough University, says regulators should concentrate less on the internal structure of markets...

He suggests consumer protection and maximum efficiency may not always require vigorous competition in a market.

Mr Button feels the "contestable markets" theory implies nationalised industries will be efficient provided they face the threat of potential competition.

Privatisation in itself does little to spur efficiency because it does nothing to make markets more contestable.

Royal Bank of Scotland Review, December 1985. 36 St Andrew Square, Edinburgh EH2 2YE.

BP chooses Herts site for headquarters

BP OIL has chosen a 15 acre site at Hemel Hempstead, Herts, for its headquarters. Plans provide for a four-storey main block with ancillary buildings on land owned by the Commission for New Towns.

The company will transfer its staff of more than 700 from the headquarters in Victoria Street, London, plus 600 already at Hemel Hempstead, to the new location.

The company's present offices in Hemel Hempstead shopping centre were partly closed when structural defects were found.

Work on the new buildings is expected to begin in the spring, with an occupation date set for late 1988.

David Rushby on a company which trains people to cope with stress

FOR MOST people survival consists of making ends meet between pay cheques while watching the clock and the slide further from control. For some, however, knowing how to survive in the world's most hostile environments is part of their job.

Some of these will turn to Survival Aids, a company based at Morland, Cumbria, which sells equipment linked to survival in hostile environments and provides training in its use.

The company was founded in 1979 by Mr Nick Steven when he left the army. Since then it has established itself as Britain's largest supplier of equipment linked to survival. Its annual turnover exceeds £1.5m.

It supplies a wide range of protective clothing and shelter for conditions ranging from polar to desert, and navigational equipment, emergency rations and emergency communications equipment.

Sales are mainly by mail order but the company also supplies about 200 retail outlets in the UK, on the Continent and in the US.

South Wales hit hardest by pit closures since July

BY MAURICE SAMUELSON

THE National Coal Board has shut 24 pits in the past six months and says a handful of further closures are needed to bring coal production in line with demand.

South Wales has been hardest hit with the closure of nine pits, followed by Yorkshire with seven, and three closures each in the north-east and western areas.

Some 35,000 men are expected to have left the colliery workforce by the end of the financial year, and the industry may have to step up recruitment to balance natural wastage.

The closure programme has gathered pace since last September when three pits were closed. A further eight were closed in October, five in November and three in December.

On October 25, the board closed Cortonwood, South Yorkshire, one of the collieries the threatened closure of which helped trigger off the strike.

The total closed since last July is one more than the 23 proposed closures shelved when the first Thatcher Government and the NCB retreated in the face of a national strike threat by the miners five years ago.

NCB executives say the post-strike recovery by the coal industry has been swifter than that of the steel industry after the steel strike of the late 1970s.

They attribute this to coal being less vulnerable than steel to foreign competition. The closures have been so complicated in spite of the recent creation of an agreed independent colliery review panel. The only two big ones being resisted are Bates and Horden in the north-east, which will be considered this month.

Otherwise, board officials say resistance has been weaker than expected. In the former strike-

COLLIERY CLOSURES 1985-86

Position at Thursday, 2/1/1986

Table with 4 columns: Colliery Name, Location, Closure Date, Status. Lists 24 pits and their closure dates.

Source: NCB

bound areas, many miners' willingness to accept redundancy settlements was prompted by their fear that if they had not done so by the end of the year, they would forfeit pension benefits.

The colliery workforce is expected to have fallen by some 35,000 men and the non-colliery workforce by more than 3,000 by the end of the current financial year.

Barring a large, unforeseen cut in demand for coal, the job reductions in the next financial year will be about 10,000.

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Cargo airline ceases trading

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

TRADEWINDS, the UK all-cargo airline which is a wholly-owned subsidiary of Lombar, is ceasing operations immediately, because of the increasingly fierce competition in the air cargo market.

The company, headed by Mr Edward du Cann, said the decision to stop trading was taken because of over-capacity in the cargo market and the proliferation in the UK market of charter cargo aircraft belonging to recently-formed cargo airlines registered in Third World countries.

These aircraft operate to lower safety and maintenance standards than U Kairlines, and undercut UK cargo airlines rates.

A third reason was the introduction of the more stringent noise rules in the US from January 1, 1985, and in the UK from January 1, 1986.

These would have obliged Tradewinds either to re-equip or undertake costly modifications to its Boeing 707 all-cargo aircraft.

The company said the situation was made worse by the fact that Third World competitors which operated the 707/DC-8 cargo aircraft were able to use cheap, unmodified aircraft into the UK without hindrance for another two years, until January 1, 1988.

In this way, said the company, "the British Government has put Tradewinds, the only scheduled all-freight UK airline, at an even greater competitive disadvantage against foreign competitors."

The closure of the airline was the only alternative. The 130 personnel of Tradewinds have been given notice and will be paid off by Lombar. The two Boeing 707s of the airline are on a care and maintenance basis at Gatwick Airport and are for sale.

Tradewinds was formed in 1967 to provide cargo charter services world-wide. Its primary routes have been between the UK and East and West Africa, and to Chicago, Toronto and Khartoum.

British Airways was "back on course for privatisation in 1986" but much was to be done to improve the service, control costs and produce the profits necessary to secure the company's future, Lord King, BA's chairman, said in a New Year staff message.

Writing in British Airways News, Lord King said: "many regard us as big and successful when compared with other British airlines. That is a short-sighted, parochial view and full of potential danger for our future."

"Our market is the world. We must be stronger and better equipped to beat the best airlines wherever they come from - the US, Europe or the Far East."



Paddy Ashdown: "Shut lid firmly"

Call to end ministerial squabble on Westland

By Ivor Owen

MR PADDY ASHDOWN, Liberal MP for Yeovil and the party's trade and industry spokesman, has called on the Prime Minister to end the public squabbling between Mr Michael Heseltine, Defence Secretary, and Mr Leon Brittan, Trade and Industry Secretary, on the future of Westland, the helicopter company.

He wrote to Mrs Thatcher yesterday insisting that the public disagreement between the two members of her Cabinet most directly involved in policy issues affecting the company must cease forthwith.

Mr Ashdown, whose Yeovil constituency includes Westland's main operational centre, told her that what the company needed now more than anything was a period of peace and quiet in which to make "a very difficult decision on the basis of what is best for the company and the service it provides for Britain's defence."

He protested that the two ministers' tactics had affected Westland's future and the standing of its prospective partners "whatever they may be."

He expressed continuing anxiety that "given the political reputations which have been allowed to become embroiled in this decision, Westland will not ultimately suffer from whichever side has, in the end, had their nose put out of joint."

He said: "The time has arrived when the two ministers concerned should be put back in the Cabinet and the lid firmly shut, and it's up to you to see that this happens."

ECONOMIC DIARY

MONDAY: Personal income expenditure and saving (third quarter). Industrial and commercial companies' appropriation account (third quarter). Credit business (November). Retail sales (November final). Closing date for Habitat Mathercare/British Home Stores merger proposals.

TUESDAY: Provisional estimates of monetary aggregates (mid-December). London and Scottish banks' monthly statistics (mid-December). First closing date for Argyl Group's bid for Distillers.

WEDNESDAY: Quarterly analysis of bank advances (mid-November). Housing starts and completions (November). Advances in energy statistics (November). Overseas travel and tourism (November). AUEW Tasa to make statement on Westland crisis. Harrods sale starts. US employment figures (December). EEC Transport Ministers hold informal meeting at The Hague (until January 9).

THURSDAY: Unemployed and unfilled vacancies (December). Launch of anti-Sunday trading campaign in London. French Economics and Finance Ministers to address economists in Paris on 1986 policy.

FRIDAY: Car and commercial vehicle production (November final). Building Societies' monthly figures (December).

LABOUR

Dover ferry dispute ends with arbitration pact

BY DAVID BRINDLE, LABOUR STAFF

THE DISPUTE which halted Townsend Thoresen ferry services from Dover for three weeks ended yesterday with agreement to refer the issue and all future unresolved local grievances to independent arbitration.

The agreement, which should in theory preclude industrial action over local disputes, is being seen as of considerable significance in an industry prone to periodic disruption.

The National Union of Seamen was anxious to stress that the settlement did not constitute a no-strike deal. It said, however, that it "should make it easier to sort out local disputes without recourse to strike action."

Townsend Thoresen, part of European Ferries, said: "Our hope is that the agreement will provide continuity of work and avoid the kind of situation we have had over the last three weeks."

The dispute, which involved 2,000 NUS members, was sparked by the union's claim for

manning end paid leave improvements on two ferries which were being enlarged to take more freight. A 72-hour strike began on December 13 and developed into what the NUS described as a lock-out.

In a move which reflected Townsend Thoresen's determination to make gains from the dispute, the company berthed its Dover fleet of 10 ferries in Dunkirk, France, and refused to resume services until the NUS gave a firm undertaking of no further disruption.

The agreement, drawn up in a week of talks, was accepted yesterday by a meeting of the seamen. Ferry services were due to resume last night from Dover to Calais, Boulogne and Zeebrugge. The company expects a full timetable to be met today.

The deal provides for the disputed NUS claim to be referred to the Advisory, Conciliation and Arbitration Service for arbitration. It also sets out a fresh grievance pro-

cedure, stating: "Any grievance that remains unsettled being progressed fully through the above procedure will be referred to a panel for independent arbitration."

If the two sides do not think Acas is suitable, an alternative third party arbitrator can be agreed. However, the agreement stipulates: "Once the matter is referred to arbitration, the award of the arbitrator shall be binding on all parties."

Shipping industry leaders said the deal could mark a changed attitude towards industrial relations in the sector but remained sceptical about the chances of curbing disruption in practice.

It was pointed out that there could be argument over what was a "local" dispute as opposed to a "national" one where industrial action could be taken. It was also felt the agreement would not stop unofficial action—particularly at times when a grievance was working its way through the disputes procedure to arbitration.

Private health plan for government agency staff

BY OUR LABOUR STAFF

EMPLOYEES of the Government's Property Services Agency are to be offered discount health screening by Bupa, the private health care company, by arrangement with their management.

The PSA said it intends to go ahead with a pilot scheme for 3,500 staff in London and Cheshington, Surrey, in spite of strong objections from Civil Service unions.

The unions, which believe the scheme could be copied in other government departments, have registered total opposition to the use of Bupa. They are raising the issue with MPs and are protesting to ministers.

Under the scheme staff will be invited to attend free health educational talks and then to undergo fitness screening at price discounts ranging from 19 per cent to 26 per cent.

The PSA will offer paid absence from work for those taking part and will provide premises for the talks and for all but the most comprehensive screening courses. In a letter to the unions it describes the tests as attractively priced.

The letter outlines the scheme as "a positive contribution to the opportunities available to staff to take care of their health."

However, the Council of Civil Service Unions has said the scheme undermines the National Health Service and has warned PSA managers against going ahead. It has also directed union committees in other departments to resist similar initiatives.

Gartcosh protest march

BY OUR LABOUR STAFF

A REPRESENTATIVE group of nine campaigners, including politicians of all the main parties, yesterday set out on a 450-mile walk to London to protest at the planned closure in March of the Gartcosh steelworks, near Glasgow.

Local MPs and churchmen were among about 100 supporters who joined for the first few miles of the march, which is designed particularly to win

Rival union to Nalco launched

BY OUR LABOUR STAFF

THE FEDERATED Union of Managerial and Professional Officers (Fumpo), the new union for senior managers in the public services, was formally launched yesterday by the seorn of its main rival.

The National and Local Government Officers' Association said that Fumpo's claim of 8,500 initial members was a gross exaggeration, and that its organisation consisted of "rank amateurs."

Fumpo, which came into being on January 1 from the merger of 26 small professional associations, is likely to remain outside the TUC and to forge links with other non-TUC unions.

Mr David Seck, its national press officer, yesterday likened it to the breakaway Union of Democratic Mineworkers.

The union says it has sent out 3,000 membership packs to potential recruits, following a pre-launch advertising campaign.

Fumpo is expected to draw most of its strength from local government where, its leaders claim, senior officers are disenfranchised with Nalco's image of concern with issues such as gay rights and international affairs.

Nalco is also charging with being too "political," although it is not affiliated to the Labour Party.

Equal opportunities pressure forecast to increase this year

BY JOHN LLOYD, INDUSTRIAL EDITOR

PRESSURE on companies, government departments and agencies and local authorities to promote equal opportunities for women and ethnic minorities will increase this year, according to a report by consultants specialising in pay structures.

TMS management consultants says that codes of practice issued by the Commission for Racial Equality and the Equal Opportunities Commission, the equal value amendment to the Equal Pay Act and the riots of 1981 and 1985 have all helped to produce a change of emphasis in pay, hiring and promotion structures over the past year which will continue and accelerate in 1986.

It says that: "The equal value amendment will continue to cause difficulties for organisations by producing industrial tribunal cases and collective bargaining pressures. The restructuring of the manual worker grades in local authorities, which involves 1m people and includes 750,000

women workers, will not only have important knock-on effects in the health service and the Civil Service industrial grades, but also in the private sector."

Ethnic monitoring in the Civil Service and elsewhere will cause further pressure to employ more ethnic minority workers especially if such monitoring "produces data which shows low ethnic minority representation and yet (companies) have no plans to change that situation."

There will be a greater need for explanation of the need for equal opportunity initiatives as white workers see a threat to their position. "Very often they see the removal of barriers not as a loss of a privileged position, but as the introduction of privilege for other groups."

More organisations faced with evidence of the attitudes of some employees to equal opportunity will conclude that race and sex discrimination will be a specific disciplinary offence." TMS says that over the past

year many organisations such as British Rail and Littlewood have appointed equal opportunity specialists; many such as Barclays Bank and BP, have introduced ethnic monitoring; more organisations have trained their recruiters to avoid bias against women and black people; and more women only management training courses have been introduced.

It says: "In starting the process of change to ensure equal opportunity, many decision-makers have been shocked at the vehemence of the resistance to their initiatives."

"At the moment it seems that middle managers are likely to become more and more trapped by policies that have the objective of racial harmony or equal opportunity for women, but which fail to recognise the resistance to the changes that will be necessary if these policies are put into practice."

A review of developments in the management of equal opportunity issues; TMS Management Consultants, 14, Seckford Street, London EC1R 0HD. Free.

CAPITAL GROWTH AND TAX RELIEF. Join us in the success of Companies in THE THRIVING EAST ANGLIAN REGION. Fund Managers Cambridge Capital Limited. 7 Green Street, Cambridge CB2 3JU. Telephone: 0223 312856. Closing date for subscriptions - 17th January 1986. Minimum subscription - £2,000.

APPOINTMENTS. Board changes at Alliance & Leicester Building Society. Mr Simon Everard has been elected deputy chairman of the ALLIANCE & LEICESTER BUILDING SOCIETY following the retirement from the board of Mr Gerald Appell. Mr Everard, who is chairman of Ellis & Everard, was vice chairman of the Leicester Building Society before joining the board of the Alliance and Leicester in October.

GENCOR (UK), subsidiary of the South African company. Mr M. P. Haines has been appointed executive director of BAGGERIDGE BRICK. EQUITY & LAW LIFE ASSURANCE SOCIETY has appointed Mr Alan Jones a deputy secretary. Mr Gerry Aherne and Mr Chris Laurence to be deputy investment managers; Mr Andrew Corby to be a deputy secretary; and Mr Stewart Fairhead to be an assistant individual pensions manager.

Let's be constructive

8 simple reasons why the Beazer offer for French Kier makes sense.

1. Respect.

Too many takeovers are conducted as a kind of slanging-match. We find this unworthy. There are serious matters at issue.

So let us say at once: as a contractor, French Kier has a fine record.

We don't want to deny what French Kier has done in the past. We are thinking about the future. Times change.

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We are seeking a genuine merger, not a shotgun marriage.

A sensible, balanced move ahead, for French Kier and for Beazer, to create a major new force in the construction industry.

3. People.

If Beazer has one proven talent above all others, it is for making companies work *as companies*, in a group: for integrating them without submerging them; for motivating the people who run them; for giving managers genuine powers of decision, with their own financial controls, and appropriate rewards.

We could fill the whole of this paper with pictures of happy smiling Beazer executives who have joined us through acquisitions.

Beazer is a good place to work, and we believe it shows. We look forward to welcoming French Kier management at all levels.

4. Track record.

This is how we have handled some of our recent acquisitions. **SECOND CITY** Their management now occupy key positions in the Beazer Group.

BRAHAM MILLAR (64% owned). Offer price, June 1984: 40p. Current share price: 135p.

KENT Significantly strengthened our property activities, particularly our development capabilities. Much increased profit contribution expected in future years.

LEECH. Fully integrated, operating profitably, with excellent morale.

BEAZER GROUP Over the 5 years to 30th June 1985, pre-tax profit increased by 427%, earnings per share (fully taxed) by 163%, and market capitalisation by 1,986%.

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Beazer is not 'just' one of the UK's Top Five housebuilders.

We already have a UK contracting business with a turnover of £75m. French Kier's UK contracting turnover last year was £200m.

Our contracts have included £12m for the Museum of London, £10m at the Old Bailey, £5m at the V&A. And so on. Even £1/2m to restore the ceiling of the House of Lords.

A lot of people don't know that.

6. 'The natural fit'

In our view French Kier needs Beazer and Beazer wants French Kier. It is not only our main activities that are complementary, but our trading cycles, our cash profiles, even our regional strengths. It is 'a natural'.

Together we shall be strong and stable, because broadly-based.

We believe the commercial logic of the merger has not been, cannot be, and will not be successfully challenged.

Quite simply, it is the right thing to do.

7. Money. Your money.

As a French Kier shareholder you stand to gain substantially from the Beazer offer—in capital and in income. This is explained in detail in two documents which have been posted to you—the original offer document and Mr Brian Beazer's letter of the 21st December. *In your own interests, please read these papers carefully.*

If you would like extra copies, to help you in consulting a professional adviser, this can be arranged.

Ring 01-638 6000, Extension 2547. The sooner the better.

8. The offer is still on the table.

Complete the Acceptance Form and post it today.

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FINANCIAL TIMES

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Saturday January 4 1986

Westland and Europe

WESTLAND, the British helicopter maker, needs financial help if it is to survive. Could the help be American or European? This apparently straightforward question has become the focus of an intense debate in the British Cabinet...

Key technologies

The argument is that certain key technologies and manufacturing capabilities must be maintained in Europe; that they must be developed independently of the Americans; and that they must be preserved by a "Buy European" procurement policy.

It is not clear to what extent the four European governments involved in the Westland affair — the UK, France, West Germany and Italy — are fully committed to this line of thinking.

Why should technological independence from the US be Europe's best interests? Is it to enable the Europeans to fight war without having to rely on American equipment and spares? This can hardly be the goal, since it implies an enormously expensive and hardly feasible degree of self-sufficiency.

Proponents of the European approach point to the ruthlessness with which the US defends its own defence contractors and controls the transfer of sensitive technology to its allies.

It is true that parts of the European defence industry are weak and fragmented and that steps need to be taken to strengthen the European pillar of the Nato alliance.

MR ROBERT MAXWELL

Big man, big cigar, big claims. Total managerial control reasserted in Mirror Group Newspapers. The group back in substantial profits from the beginning of this year. The decline in circulations halted and reversed.

On the other side of the big desk, the diminutive figure of Mr Joe Haines, looking as ever like a 1950s Hollywood villain, his political editor and a MGN director, immersed with Maxwell in getting the deal which brought these changes, Haines has been in Fleet Street since 1942 (with time off to help Harold Wilson run the country, or oppose those who were running the country, between 1964 and 1976) and says: "I never would have believed this possible."

Maxwell and Haines finally got their deal earlier this week: it will involve the departure of some 2,100 MGN workers and, it is claimed, see a new lean and efficient group rise from near ashes. Its immediate effect on the ground will clearly be important; more important outside of the group's Harbourn block will be its demoralising effect on Fleet Street. "It's a miracle," says Maxwell with typical understatement. "That is not too exaggerated a word. And the whole of Fleet Street are going to be the beneficiaries."

Fleet Street, synonymous with British national newspaper publishing, has over the past year finally had to let through the winds of industrial change. Mr Eddie Shah is to start a new national paper in March with printing centres up and down the country, direct typesetting by journalists and a single union deal with the electricians' union. Mr Rupert Murdoch, absentee landlord of the Times, Sunday Times, Sun and News of the World, has demanded a legally binding agreement with no closed shop, no demarcation lines and reassertion of management control.

New London evening and national papers are being mooted either with no unions or with direct typesetting. And everywhere, the powerful print unions, the National Graphical Association and Sogat 82, are agreeing to deals they would have left their branch secretaries' cigars with only a year ago.

The Mirror Group has been traditionally regarded as its present chairman recalls with a gargantuan chuckle — as a "mink-lined coffin." When Sir Keith Joseph came to lunch at the Group three years ago (under the old management) he asked: "How do you deal with the unions?" The honest answer came "By giving in."

"Sir Keith literally staggered to a chair," says Maxwell, roaring with pleasure once more. But when Mr Norman Tebbit came to lunch a few months ago (the Mirror entertains a lot of Conservative ministers for a Socialist newspaper) he had to say, in wishing its proprietor well in his endeavours, that if he did do well it would be a triumph in the Tories' side come the next election. And, says the proprietor, that is what he intends to be.

Mr Tebbit will have assisted in this. For the agreement Maxwell has achieved is possible in part because of the ebullience of union militancy, now finally reaching Fleet Street; and in part based on Tebbit's Law — the 1982 Employment Act.

The deal is a remarkable document for Fleet Street. Its introduction states its objective to be "to provide a sound working relationship based upon the responsibility and exclusive right of management to manage... It is the responsibility of employees and management alike, as their highest priority, to ensure the production on time and in the best attainable quality of all the titles to be produced by the Company at the most economic possible price in order to guarantee the company's ability to compete and its profitability."

BRITAIN'S NEWSPAPER INDUSTRY

Maxwell dares—and wins

By John Lloyd and Raymond Snoddy



Mr Ian Robert Maxwell, MC, Hon DSC (Moscow State), Royal Swedish Order of the Polar Star (1st Class), Bulgarian People's Republic Order Stara Planina (1st Class) is a proconsul figure. Arriving penniless in this country after distinguished wartime service, he moved into educational publishing and built up Pergamon into a successful if controversial company; his recent turning around of British Printing and Communications Company has been less controversial. He gained control of the Mirror Group early in 1984 and is now moving strongly into satellite television. He was Labour MP for Eppingham from 1964-70 and remains a member of the Labour Party

to be "to provide a sound working relationship based upon the responsibility and exclusive right of management to manage... It is the responsibility of employees and management alike, as their highest priority, to ensure the production on time and in the best attainable quality of all the titles to be produced by the Company at the most economic possible price in order to guarantee the company's ability to compete and its profitability."

The company has been divided into three legally separate companies: Mirror Group Newspapers 86, which provides the content of the paper; BNP Services, for services like telephones, darkroom and computing; and British Newspaper Printing Corporation, for the typesetting and printing.

The importance of the split lies in the terms of the 1982 Act, which prohibits almost all "secondary action" — that is, action taken by the employees of one company against another. T. Bailey Forman, publishers of the Nottingham Post, set up a separate company to print on contract; and the "independence" of the company survived a challenge from the National Union of Journalists, then in dispute with David Dimbleby's Richmond and Twickenham Times group, which was being printed by the Nottingham company.

It is a lead the Mirror Group has followed. Within the three companies, employee must be flexible within obvious limits. Says Maxwell: "A member of the clerical staff will not be told to wash dishes in the canteen — but where there were, for example, 14 Sogat Rima (ancillary) chapels, there is now one."

Over time, once a large part of the gravy train (which has now, in the words of the famous Mirror editorial, "hit the buffers") is out except on the express word of the proprietor, Journalists now work a five-day week and their meal allowances have been cut: sub-editors are reckoned to have lost £3,000 a year on allowances alone.

Maxwell: "In spite of having twice as many journalists as our competitor (The Sun) we were spending close on £1m a month on (freelance) contributions — most of which were spiked."

Haines: "The redundancy scheme for journalists was drawn up in such extravagant terms as to prevent anyone ever going. After you'd been here a few years you could pick up £80,000; so no journalist could ever be dismissed, and no journalist could be moved without his consent."

These bits of the mink lining have all been stripped away. The agreement says that "the contents of the newspapers produced by the company are with- in the editor's responsibility and powers and employees will not take any steps which derogate from such powers." Further, if anyone is sacked, or leaves, they will not automatically be replaced. Further still, "the company will select all employees"

— apparently an end to the print

unions' most potent lever, the hiring of printers. The group, says Maxwell, is now in shape to make profits in 1986 following the savings which some estimates put at around £40m a year.

In the first five months after taking over in July 1984, the newspapers made a pre-tax profit of £24,000 and losses are expected for calendar year 1985.

Mr Maxwell is also producing at least three new publications: a downmarket colour tabloid, working title Good Day, working price 15p, dummies already produced and looking like a daily sex 'n' sports magazine; a London evening paper; and a weekly Women's Mirror — in newspaper format. He wants to get the tabloid out on the streets before Mr Eddie Shah's new paper (Today) in March but the date — even the publication itself — is still uncertain.

Maxwell's miracle is a little less than that, but, even in Mirror Group terms, it is a substantial financial achievement. He claims that 2,100 of the 7,000 employees in London and Manchester have now gone or are shortly to go, all but 300 voluntarily. Payments range from £2,000-£3,000 for short-service clerical workers to £40,000 and more to journalists

and managers over 50 who have commuted their pension entitlements to a lump sum. He has used some £35m of the £400m pension fund — by agreement, though he did not need it — to finance much of this: he pays tribute to his predecessors who built up the fund which has allowed him to do it. In cutting 600 staff in the Manchester printing operation — now part of BNP, formerly part of Thomson Newspapers — he has saved over £30m alone. His cash flow has clearly benefited

order, and it's obviously the kind of thing no other company has done." Maxwell is in the market for the contract printing of national papers; others, as well as his own. It is, he says, an idea whose time has come, and if Fleet Street is to learn any lessons from him, this may be the most valuable one.

The contract printer will make it possible for lots of people to start newspapers. The cost of entry into national newspapers was anything between £15 and £300m — you can now order from me a national newspaper and I can get it on the streets for £5m. I have the capacity to do it and with the unions having plenty of spare labour," Mr Maxwell says.

It is a concept at the heart of plans by a group of senior Daily Telegraph journalists to launch a new quality daily in October. The journalists will concentrate on being publishers and all the printing will be contracted out.

Mr Matthew Symonds, of the journalists involved, believes that apart from cutting the cost of entry, "we don't have to get into all the problems of employing armies of printers." The new newspaper will cost £15m to set up and more than a half of the staff of 310 will be journalists. The group considers the paper could break even in

its first year with a circulation of around 300,000.

Mr Maxwell believes his contract printing concept could have worked equally well for the management of the Daily Telegraph itself, avoiding the need for expensive new printing plants in Manchester and London.

"The Telegraph had a proposal on the table for BPCC to set up these plants in London and Manchester and contract print it. If Lord Hartwell (the Telegraph chairman) and his management had accepted it they would have remained independent and be very profitable and would never have looked back," Mr Maxwell says.

The Daily Telegraph confirmed last night that Mr Maxwell had offered to take over their Trafford Park plant in Manchester but the offer was rejected because the terms were unsatisfactory.

Spare printing capacity is constantly available. Mr Ben Stoneham, managing director of Portsmouth and Sunderland Newspapers believes one third of the provincial press has spare capacity during the night.

Not everyone agrees that contract printing is the inevitable way forward, with many Fleet Street managements determined to keep control over their own printing. The Guardian (whose main print run is handled by the Times in Gray's Inn Road) plans to move from contract printing and into a £20m plant in London's Docklands next year. And Eddie Shah, despite a revolutionary approach in other respects, has bought his own presses.

Whatever the future of contract printing it is difficult to overestimate the significance of the changes at MGN. "He has achieved a quill brilliant stroke long overdue in Fleet Street. If it doesn't spread to other companies papers will be at a severe competitive disadvantage," said Mr Frank Rogers, chairman of EMAP, formerly Best Midlands Allied Press, who has been managing director of both the Daily Mirror and IPC. The chief executive of a national newspaper said yesterday: "It is the most fantastic, unaided, achievement in Fleet Street in 25 years."

The savings will give Maxwell a very enormous flexibility to cut his cover prices, buy extensive television advertising to back his titles or reduce his advertising rates.

Mr Stuart Allman, senior industrial relations advisor to the Newspaper Publishers Association, believes it is something NMA members will want to aspire to.

"Twelve months ago if anyone had said anything like this could happen in Fleet Street they would have been laughed out of court. Now it has happened and these things are no longer pipe dreams," Mr Allman said.

Others emphasise it will not be so easy. "There's only one Captain Bob, werned one executive."

Man in the News

President Assad

Syrian thorn in Israel's side

By Roger Matthews



has not been resolved but rivalries were defused in classic Levantine style.

Rifaat al-Assad was despatched on a trip to Moscow and en route was told not to return home. For months he cooled his heels in Switzerland and thence from Damascus and that the family split was irrevocable. When Rifaat was allowed back, he found that the Defence Brigade which he commanded had been in part dispersed, thereby reducing his main power base.

The incident revealed that President Assad was fully recovered but also provided an insight into the lack of preparation for a smooth transfer of power in Syria. Assad is capable of delegation — one of the three vice-presidents, Abdul-Halim Khaddam, takes a great deal of responsibility for Lebanese negotiations — but there is no evidence of a single successor being groomed to take over.

Whoever claims the inheritance will inevitably face a series of challenges, not least in seeking to develop the country in ways that President Assad has largely ignored. The Syrian economy and the entrepreneurial skills of its people have for the past 15 years suffocated under the centralised, doctrinaire policies of the Ba'ath Party. Even allowing for the huge size of the annual budget deficits, Assad years have seen little economic innovation or sustained attempt to develop the country's considerable potential.

It is argued in Damascus that such issues must remain secondary to the prime objective of internal stability on which rests Syria's capacity to defend Arab interests in the face of what is seen as Israel's determination to expand its borders.

Few Syrians doubt that there will one day be another war with Israel. President Assad is credited, even by some of his opponents, with ensuring Israeli respect for Syria's capacity to resist. The past week's events seem to have confirmed their judgment.

objective is to turn the Arab clock back to before November 1977 when President Sadat arrived in Damascus to seek a ceasefire for the trip he was planning to Jerusalem the following weekend.

Assad was appalled. Sadat's initiative, he warned, would only divide the Arab world and would not achieve anything for the Palestinians. The Syrian President remains convinced that, for negotiations to stand any chance of success, the Arab nations have to be united and move much closer to achieving military parity with Israel.

Most of his actions and the ruthless determination with which he pursues them stem from that conviction. It dictates close co-operation with the Soviet Union, as the main sup-

plier of weaponry, and deep suspicion of the US which is pledged to maintain Israel's military edge. (In Damascus the US is considered to be hostile to the concept of Arab unity.)

It also presupposes a firm power base in a country which before Assad took over in 1970 could be relied on to provide a coup or a revolution as an almost annual event.

Initially, Assad operated from a narrow base as both a member of the minority Alewite sect, which forms less than 15 per cent of the population, and as an air force officer. But although he has never won popular affection, he has inspired loyalty among several of the key men closest to him. The military plots against him have usually originated at junior

officer level. The response has been fierce and bloody. Military officers have been executed; the civilians in Hama who rose under the leadership of the Muslim Brotherhood in 1982 were mercilessly shelled for a week and part of the town was subsequently razed when troops finally entered it.

The scale of the Assad response was such that few Syrians believe that the Muslim Brotherhood can rebuild for many years. The main danger to him now, it is thought, is his own health.

In the autumn of 1983, President Assad suffered at least one heart attack. His incapacity sparked a struggle for the succession in Damascus in which his younger brother Rifaat played a key role. The issue

BASE LENDING RATES

Table listing various banks and their base lending rates, including ABN Bank, Allied Dunbar & Co., Allied Irish Bank, American Express Bk., Amro Bank, Henry Ansbacher, Associates Cap. Corp., Banco de Bilbao, Bank Hapoalim, Bank Leumi (UK), BOCI, Bank of Ireland, Bank of Cyprus, Bank of Jodla, Bank of Scotland, Banque Belge Ltd., Barclays Bank, Beneficial Trust Ltd., Brit. Bank of Mid. East, Brown Shipley, CL Bank Nederland, Canada Permanent, Cayzer Ltd., Cedar Holdings, Charterhouse Japbet, Citibank NA, Citibank Savings, City Merchants Bank, Clydesdale Bank, C. E. Coates & Co. Ltd., Comm. Bk. N. East, Consolidated Credits, Continental Trust Ltd., Co-operative Bank, The Cyprus Popular Bk., Duncann Lawrie, E. T. Trust, Exeter Trust Ltd., Financial & Gen. Sec., First Nat. Fin. Corp., First Nat. Sec. Ltd., Robert Fleming & Co., Robert Fraser & Ptns., Gridlows Bank.

مكاتبنا في لندن

Job prospects in the UK

Two classes of the mid-1980s

By Nick Garnett



Pupils at Brackenhoe school, Middlesbrough.

I lose my job but it is heart-breaking. Many of the kids are on the scrapheap before they are even looked at... Pupils approaching school leaving age at Bracknell's Easthampstead Park comprehensive in the middle of Berkshire's high-tech and office employment belt receive an impressive 12-page interview and application file from the school's careers office.

though these are not "permanent" jobs that will be built into its employment base. Bracknell and Easthampstead Park are described by their education authorities as representative. Their success rates measured in terms of exam passes and jobs is about average for their counties.

Three hundred miles north of Bracknell, the yawning gap is all too clear

frontage draws children from mixed local authority and private housing. Pupils must wear blue pullovers and there is an air of discipline though no corporal punishment. Only 7 per cent of children are entitled to free school meals. At Bracknell, behaviour is more unruly though the cane can be used, for more pupils live on council housing estates and 46 per cent of them take free school meals.



Careers class at Easthampstead Park school, Bracknell.

370 pupils on work experience to 220 local companies, but there is nothing like that at Bracknell. Many employers in Middlesbrough simply do not feel the need for such links when one job at Halford's bike shop attracts a rush of 400 applicants.

High unemployment casts a long shadow over training as well as job prospects. Mr Ray Hurst, Cleveland's principal careers officer, is confronted with dispiriting statistics every working day. Of the nearly 6,000 young people registered unemployed at careers offices on Teesside 2,000 left school or college before this year and have never had a real job.

The Westland affair Lifting the lid off Whitehall

By Lionel Barber

PEOPLE READING about the Westland affair must have been struck by the amount of government information available in the press. The information has ranged from extracts of ministerial conversations in Cabinet to precise detail on decisions between the Ministry of Defence and the Departments of Trade and Industry on industrial and defence procurement policy.

Leveraged bids

From Lord Hacking Sir.—Quite apart from the battles currently raging over the Elders IXL bid for Allied Lyons and the Argyle bid for Distillers, I believe there should be a great deal of concern over the use in the United Kingdom of the US style "leveraged" take-over bid. Colourful new terms such as "poison pill", "golden parachute" and "greenmail" may now be added to the language of takeovers but this form of hostile takeover has unacceptable features as the Federal Reserve Board has recognised in the United States.

Letters to the Editor

who are targets of hostile leveraged bids, are not permitted to adopt defence strategies which are permissible in the US. In this sense, it is easier in the market place of the UK for an offeror to be put in jeopardy.

Re-nationalisation of companies

From Mr R. Metcalfe Sir.—I listened with some interest to the remarks of the Labour leader concerning the re-nationalisation of companies if and when a Labour Government came into being.

BSC assets in Scotland

From Professor D. Myddelton, Sir.—Dr Bray (December 30) asks whether filling a year—the cost of keeping Carceol going—is not a small "insurance premium" to pay to preserve "for a few years yet" the assets of British Steel Corporation in Scotland. Of course he is asking taxpayers to pay it.

Those of us who opposed nationalisation at the time may be forgiven for a certain amount of impatience with those who want to pour still more of our money down the drain. If it is such a wonderful investment, why doesn't Dr Bray persuade profit-seeking investors to put up enough money to purchase the "large assets" in Scotland as they are doing worth much.

Copyright theft

From Mr J. Baillie Sir.—At last, count I owned some 20 re-usable video tapes. All of these contain recordings which my family and I watch and then obliterate by recording over — i.e. classical time-shifting use of video recorders.

Hard cheese in Wales

From Dr P. Llewellyn Sir.—Andrew Murray's account (December 24), "Not easily made in Wales—hard cheese they all said"—made compulsive reading.

Changing jobs

From Mr I. Kenna Sir.—I refer to Mr E. S. Thomas' article of December 27. The official actuarial guidance note (GN1) advises that, in respect of incoming transfers, the actuary should "take account of expected salary increases in cases where 'added years' are to be credited."

case to be made for sound re-ordering levy but in the end there is little if any real economic evidence on the alleged damage to the industry that stands up to critical examination.

All the figures are produced by hypothesis as to possible sales in an ideal world which never existed. Unfortunately, these figures have been widely publicised by interested parties in the industry while the figures on the consumer's side have had little publicity so that an imbalanced picture has been represented to the public.

Helicopters in London

From Mr J. Harrington Sir.—If helicopters were to land in central London given their current noise level, then it would seem appropriate to have them land at a very high altitude so that the noise would minimally penetrate to the public in the street.

Hard cheese in Wales

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respect of expected salary increases. Pensionsable service out thus inevitably translates into lesser "added years" in.

Your article of December 19 is therefore correct in implying that there is some cause for dissatisfaction among people changing jobs.

Enjoying the trip

From Mr D. Brierley Sir.—On the Saturday before Christmas we enjoyed a day trip to Charting Cross station. Since it was my wife's birthday, we celebrated with a cup of coffee at the Casey Jones there. We had intended to go to Boulogne but the Channel was too rough for hovercraft. Also no Townsend Thoresen ferries sailed because of a strike. To cap it all French Sealink also had a strike.

Naturally we have been much heartened a week later, to read Townsend Thoresen's assertion that the Channel tunnel would be a "total disaster".

Helicopters in London

From Mr J. Harrington Sir.—If helicopters were to land in central London given their current noise level, then it would seem appropriate to have them land at a very high altitude so that the noise would minimally penetrate to the public in the street.

Of rather greater significance is the fundamental question of why helicopters have to be so noisy. Surely one could develop a method of reaching a suitable flying altitude without the need for a noisy large rotating mechanism. One might ask why a balloon type of device could not be used for hoisting the helicopter aloft to a height at which it could then be propelled by the rotors without their being annoying to ground level people.

BUILDING SOCIETY RATES

Table with columns for Share, Sub/pen, Other, and various interest rates for different building societies like Abbey National, Ald to Thrift, Alliance and Leicester, etc.

UK COMPANY NEWS

ICH in takeover talks with MKI

International City Holdings (ICH), the money broker group which came to the stock market last October, has started takeover talks with MKI Investments, a New York-based security broker.

ICH's chairman, said he hoped for an agreement in principle within a matter of weeks. The deal is expected to comprise cash and shares to be issued at a later date depending on MKI's performance.

GKN sells fasteners division to management

Guest Keen and Nettelfolds is selling its fasteners division to the group's own management for £11.5m.

Shaw Carpets hit by downturn in peak period

Shaw Carpets, the tufted carpet manufacturer, has tumbled into the red and is passing the interim dividend for the six months to November 1985.

Chairman quits and loss expected at Assoc. Energy

MR PAUL HOWLETT has resigned as chairman of Associated Energy Services, the USM-quoted building, environmental and catering services group.

Royal London sharp rise in terminal bonus rates

Royal London Mutual Insurance Society, a leading home service insurance group, has announced substantial increases in its terminal bonus rates.

Scottish Widows' record year

LEADING SCOTTISH life company, Scottish Widows' Fund and Life Assurance Society, announced record new life and pensions business in 1985.

Worthington cuts losses

A. J. Worthington (Holdings), the Staffordshire-based textile manufacturer, has considerably reduced first half losses from £223,000 to £49,000.

COMPANY NEWS IN BRIEF

RESULTS LONDON CREMATION Company reports higher taxable profits of £49,662, against £42,864, for the six months to end-September 1985.

Findhorn suspended

The listing of Findhorn Finance, the whisky stock financing company, was suspended yesterday following the announcement that it will not meet an interest payment due next Monday.

FT-ACTUARIES SHARE INDICES

Table with multiple columns: EQUITY GROUPS & SUB-SECTIONS, Fri Jan 3 1986, 1985/86, Highs and Lows Index, FIXED INTEREST, BRITISH GOVERNMENT LINKED STOCKS, and Equity section or group.

BEGINNERS GUIDE TO THE STOCK MARKET. The Investors Chronicle has produced a 96 page booklet called 'Beginners Guide to the Stockmarket' especially for new investors like you.

UK COMPANIES

Equity & Law's terminal bonus rates up slightly

SLIGHTLY HIGHER terminal bonus rates paid in claims in 1985 have been declared by Equity & Law Life Assurance Society. However, the main reversionary bonus rate for 1985 remains unchanged at 54.50 per cent of the basic benefit and attaching bonuses.

Black Arrow purchase

BLACK ARROW has agreed terms to acquire Associated Furnishings Holdings, subject to receipt of a satisfactory report from investigating accountants.

Table for Granville & Co. Limited, Over-the-Counter Market, listing various companies and their prices.

INTERNATIONAL COMPANIES and FINANCE

James Buxton explains why two switchgear makers are moving towards a merger Reshaping Italian telecommunications

FOR THE second time in four years Italy is reshaping its telecommunications industry. Over the next 12 months foundations are to be laid for a partial merger of the two indigenous manufacturing companies, Italtel and Stet.

LL199 bn (\$720m). However, it is clear that Italtel and its consortium in Italy amount to only a marginal producer in a world where Europe apart, telecommunications manufacturing is in the hands of very big companies able to spend vast sums on the fast-changing research and development.

ing producers of digital transmission equipment. Italtel is the world's largest producer of sales in 1984) but Telettra exports nearly half its turnover which reached £1,218m in 1984.



Mrs Maria Bellisario, who has cut Italtel's workforce from 30,000 in 1981 to 19,000.

Special charges distort final results from CSX

BY PAUL TAYLOR IN NEW YORK CSX, the US rail and natural resources group, posted net losses of \$440m for the fourth quarter and \$118m for the full year.

NSW neutral on Brierley bid for gas group

THE STATE government of New South Wales yesterday tried to sidestep a neutral stance in the bitter row between Mr Ron Brierley's Industrial Equity (IEL) and Australian Gas Light Company (AGL), the asset-rich NSW utility.

R47m rights issue by ERPM

EAST RAND Proprietary Mines (ERPM), the South African gold mining company, is to raise R47.1m (\$18.6m) by a one-for-one rights issue at R45.00 (about \$22p) per share.

Rossignol sees flat year

BY DAVID HOUSEGO IN PARIS SKIS ROSSIGNOL, the French ski and sports equipment manufacturer, is forecasting that not consolidated profits for 1985-86 will be about the same level as last year's FF 42m (\$5.6m).

G. B. C. Capital Ltd

The net asset value at 30th November, 1985 was £22.57. The net asset value after contingent Capital Gains Tax was £22.32.

US\$ 100 000 000.— Credit Suisse Finance (Panama) S.A.

11 3/4% Guaranteed Notes, Series A, due 1992 and 100 000 Warrants to subscribe US\$ 100 000 000.— 11 3/4% Guaranteed Notes, Series B, due 1992.

LONDON TRADED OPTIONS

Large table of LONDON TRADED OPTIONS with columns for CALLS and PUTS, listing various options and their prices.

LADBROKE INDEX

1153.158 (+13) Based on FTSE 100 Index Tel. 01-427 4411

EUROPEAN OPTIONS EXCHANGE

Table of EUROPEAN OPTIONS EXCHANGE listing various options and their prices.

Table of US\$ 100 000 000.— 11 3/4% Guaranteed Notes, Series A, due 1992 and 100 000 Warrants to subscribe US\$ 100 000 000.— 11 3/4% Guaranteed Notes, Series B, due 1992.

WORLD STOCK MARKETS

NEW YORK

Table of New York stock market data including various stock prices and indices.

STOCK

Table of stock prices for various companies and sectors.

WALL STREET

Early rise with little news

STOCK PRICES moved higher on Wall Street yesterday despite a lack of news...

CANADA

Stock prices were mixed in light of session trading. The Toronto Composite index...

SWITZERLAND

Investors jumped into Swiss equities on the first trading day of the New Year...

GERMANY

Share prices closed sharply higher after a very busy session. Both foreign and domestic investors poured back into the markets...

SINGAPORE

Share prices rose across the board on some speculative buying and short covering in quiet trading...

AUSTRALIA

Firmer with heavy trading in situation stocks and a strong demand for key industrials. The All Ordinaries index gained 9.6 to 1,020...

INDICES

Table of various stock indices including Dow Jones, S&P 500, and others.

NEW YORK

Table of New York stock market data including various stock prices and indices.

CANADA

Table of Canadian stock market data including various stock prices and indices.

SWITZERLAND

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SINGAPORE

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AUSTRALIA

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JAPAN

Table of Japanese stock market data including various stock prices and indices.

NOTES: Prices on this page are as quoted on the individual exchanges and are last traded prices. If listings suspended, and the dividend or ex-dividend date is indicated, the price is the closing price of the day before the suspension.

CURRENCIES and MONEY

COMMODITIES and AGRICULTURE

FOREIGN EXCHANGES

Short covering boosts dollar

The dollar rose quite sharply in currency markets yesterday in reaction to comments by the Governor of the Bank of Japan stressing his desire to see the yen stabilise at its current level. This sparked a wave of short covering in trading illiquid influenced by any other major factors ahead of the weekend.

£ IN NEW YORK

Table with columns for Jan 3 and Prev. close, listing exchange rates for various currencies like DM, SF, and others.

Christmas and the new year and it appeared to be premature to try to establish any fresh trend. Following the dollar's substantial fall over the past three and a half months, respective members of the five-nation agreement may now be looking at their own economies in an attempt to assess the implications of a continued decline in the value of the dollar.

Despite the implications from the Bank of Japan, the market was not fully geared up after

REVIEW OF THE WEEK

Coffee price climbs to 8 1/2-year high

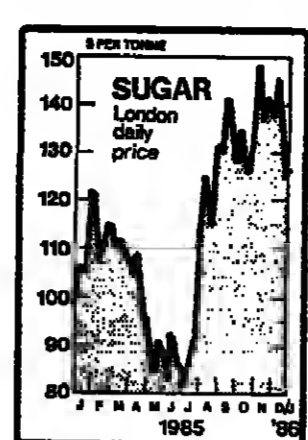
BY RICHARD MOONEY

COFFEE CONTINUED to outshine the other stars in the commodities firmament this week as uncertainty about the prospects for the drought-damaged Brazilian harvest remained in dealers' minds.

Their forecast down to 2.1m bags. The Brazilian Coffee Institute is due to issue its official estimate of the country's total crop at the end of this month.

The cocoa market could not compete with coffee for excitement but concern about West African crop prospects remained a steady influence and nearby positions reached the highest level since early October.

The gloomy Brazilian news concerned the crop in Sao Paulo State in mid-December when agriculture officials were indicating a harvest of somewhat over 5m bags (60 kilos each) down from 8.2m bags in 1985.



US MARKETS

PRECIOUS METALS attracted scattered support on heightened tension between the US and Libya, reports Heimold Commodities. Copper remained steady reflecting light buying in sympathy with gold and silver.

ALUMINIUM 40,000 lbs. cents/lb. Table showing price movements for various metals like Aluminum, Copper, and Silver.

NEW YORK Table showing market data for various commodities like Live Cattle, Live Hogs, and Live Pigs.

STERLING INDEX

Table showing Sterling Index values for different times of the day from 8.30 am to 4.00 pm.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Table showing Dollar Spot and Forward rates for various countries like UK, Ireland, and others.

EURO CURRENCY INTEREST RATES

Table showing Euro currency interest rates for various currencies like Sterling, US Dollar, and others.

CURRENCY RATES

Table showing various currency rates for different countries and regions.

CURRENCY MOVEMENTS

Table showing currency movements and changes for various currencies.

OTHER CURRENCIES

Table showing rates for other currencies like Argentinian, Australian, and others.

MONEY MARKETS

UK rates slightly firmer

Interest rates were slightly firmer in London yesterday with sentiment tending to reflect the firmness of sterling. Three-month sterling CDs rose to 11 1/2 per cent from 11 1/4 per cent.

EXCHANGE CROSS RATES

Table showing exchange cross rates for various currencies.

FT LONDON INTERBANK FIXING

Table showing FT London interbank fixing rates for various currencies.

MONEY RATES

Table showing money rates for various currencies.

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WEEKLY PRICE CHANGES

Table showing weekly price changes for various commodities.

INDICES

Table showing various financial indices like FTSE 100, etc.

FINANCIAL TIMES

Table showing financial times data for various markets.

REUTERS

Table showing Reuters market data for various commodities.

DOW JONES

Table showing Dow Jones index data for various sectors.

SOYABEAN MEAL

Table showing soyabean meal prices for various grades.

SUGAR

Table showing sugar prices for various types and origins.

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Table showing aluminium prices for various grades.

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Table showing Orange Juice prices for various grades.

Table showing Platinum prices for various grades.

Table showing Silver prices for various grades.

Table showing Sugar World prices for various grades.

Table showing Live Cattle prices for various grades.

Table showing Live Hogs prices for various grades.

Table showing Live Pigs prices for various grades.

Table showing Soyabean Meal prices for various grades.

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Table showing Soyabean Meal prices for various grades.

Hawley Group increases stake in Brengreen. The Hawley Group, the service industry company headed by Mr. Michael Hawley, has marginally increased its stake in Brengreen Holdings, the major cleaning contractor.

Leading shares move progressively higher and FT index closes 11.1 up at record 1149.6

Account Dealing Dates
Option
First Declared Last Account
Dealings Close Dealings Day

Record levels were achieved in the late-afternoon when the FT Ordinary share index surpassed the November 25 peak of 1148.9 and advanced further to close 11.1 up at a best-ever 1149.6.

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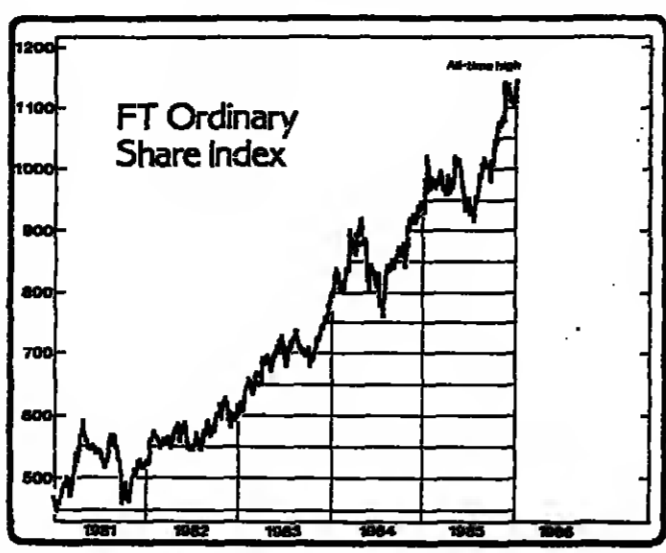
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later this month, advanced 7 to 119p. Extel moved up 15 to 330p amid speculation that Dr Marwan has increased his stake in the company...

Systems, in contrast, met nervous offerings and fell 11 to 62p. GKN, a further 7 up at 277p, continued to make progress but other leading Engineers showed a strong boost to the Property leaders...

Habitat better
Habitat Mothercare took a further turn for the better, rising 10 fresh to 485p following the early announcement that its proposed merger with British Home Stores would not be referred to the Monopolies Commission...

Metal Box higher
METAL BOX, the subject of several brokers' recommendations, responded afresh to buying with a gain of 12 more at 550p. Other miscellaneous industrial leaders were inclined to underperform...

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Oil dip and rally
Marked down at the outset on continuing crude price worries, the oil majors staged a useful recovery in the absence of selling pressure to close with only minor losses on balance...

Consolidated feature
Noteworthy movements among Mining markets were again generally restricted to Financials. UK domiciled stocks were particularly favoured, partly reflecting the strength of domestic equities...

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STERLING ISSUES BY FOREIGN GOVERNMENT AND INTERNATIONAL INSTITUTIONS
Table with columns for issue name, amount, and date.

CORPORATION & COUNTY
Table with columns for company name, amount, and date.

UK PUBLIC BONDS
Table with columns for bond name, amount, and date.

FOREIGN STOCKS
Table with columns for stock name, amount, and date.

STERLING ISSUES BY OVERSEAS BORROWERS
Table with columns for issue name, amount, and date.

BANKS, DISCOUNT
Table with columns for bank name, amount, and date.

BREWERIES
Table with columns for brewery name, amount, and date.

COMMERICAL INDUSTRIAL
Table with columns for company name, amount, and date.

RISES AND FALLS YESTERDAY
Table with columns for category, rise/fall, and value.

THURSDAY'S ACTIVE STOCKS
Table with columns for stock name, price, and change.

YESTERDAY'S ACTIVE STOCKS
Table with columns for stock name, price, and change.

FINANCIAL TIMES STOCK INDICES
Table with columns for index name, current value, and previous value.

HIGHS AND LOWS S.E. ACTIVITY INDICES
Table with columns for index name, high, low, and change.

OPTIONS
Table with columns for option name, price, and change.

UNLISTED SECURITIES MARKET
Table with columns for security name, price, and change.

RECENT ISSUES
Table with columns for issue name, price, and change.

FIXED INTEREST STOCKS
Table with columns for stock name, price, and change.

RIGHTS OFFERS
Table with columns for offer name, price, and change.

NEW HIGHS AND LOWS FOR 1985/86
Table with columns for stock name, high, low, and change.

THURSDAY'S ACTIVE STOCKS
Table with columns for stock name, price, and change.

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STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken from the last Thursday's Stock Exchange Official List and should not be reproduced without permission.

They are not in order of accession but in ascending order which denotes the day's highest and lowest dealing prices.

Table of stock exchange dealings including sections for W-Y-Z, FINANCIAL TRUSTS, UNLISTED SECURITIES MARKET, and SPECIAL LIST.

FT UNIT TRUST INFORMATION SERVICE

Table of FT Unit Trust Information Service listing various unit trusts and their performance metrics.

FINANCIAL TIMES CONFERENCES

Aerospace in Asia and the Pacific Basin

- Issues to be discussed: Civil aviation in South-East Asia and the Pacific Basin; Airport developments in the region; The role of the major aerospace manufacturers...

Date and Venue: 13 & 14 January, 1986. Shangri-La Hotel, Singapore

This conference precedes the major Aerospace '86 Exhibition at Changi International Airport.

Enquiry Form with fields for Name, Title, Company/Organisation, Address, Telephone, and Type of Business.



AUTHORISED UNIT TRUSTS & INSURANCES

Main table containing financial data for various unit trusts and insurance companies, including columns for company names, fund names, and numerical values.

INSURANCES

Table listing insurance companies and their respective policies, including details on coverage and terms.

Handwritten text at the bottom center of the page, possibly a signature or note.

INSURANCE, OVERSEAS & MONEY FUNDS

Table of financial data for various insurance and overseas funds, including company names, fund names, and performance metrics.

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Table of financial data for offshore and overseas funds, including company names, fund names, and performance metrics.

Money Market Bank Accounts

Table of Money Market Bank Accounts with columns for bank names, account types, and interest rates.

Options 3-month call rates

Table of Options 3-month call rates with columns for option names and rates.

Vertical text on the right edge of the page, possibly a page number or additional page information.

LONDON SHARE SERVICE

BRITISH FUNDS

Table of British Funds with columns for Name, Shares, Price, and % Change. Includes sub-sections for 'Shorts (Lives up to Five Years)', 'Five to Fifteen Years', and 'Over Fifteen Years'.

AMERICANS - Cont.

Table of American Stocks with columns for Name, Shares, Price, and % Change.

BUILDING, TIMBER, ROADS - Cont.

Table of Building, Timber, and Roads stocks with columns for Name, Shares, Price, and % Change.

ENGINEERING - Cont.

Table of Engineering stocks with columns for Name, Shares, Price, and % Change.

INDUSTRIALS - Cont.

Table of Industrial stocks with columns for Name, Shares, Price, and % Change.

Five to Fifteen Years

Table of British Funds (Five to Fifteen Years) with columns for Name, Shares, Price, and % Change.

Over Fifteen Years

Table of British Funds (Over Fifteen Years) with columns for Name, Shares, Price, and % Change.

CANADIANS

Table of Canadian Stocks with columns for Name, Shares, Price, and % Change.

DRAPERY & STORES - Cont.

Table of Drapery & Stores stocks with columns for Name, Shares, Price, and % Change.

ELECTRICALS

Table of Electrical stocks with columns for Name, Shares, Price, and % Change.

INDUSTRIALS (Misc.)

Table of Industrial (Miscellaneous) stocks with columns for Name, Shares, Price, and % Change.

INT. BANK AND OSEAS

Table of International Bank and Overseas stocks with columns for Name, Shares, Price, and % Change.

BANKS, HP & LEASING

Table of Banks, Hire Purchase, and Leasing stocks with columns for Name, Shares, Price, and % Change.

CHEMICALS, PLASTICS

Table of Chemical and Plastics stocks with columns for Name, Shares, Price, and % Change.

FOOD, GROCERIES, ETC

Table of Food, Groceries, and other stocks with columns for Name, Shares, Price, and % Change.

INDUSTRIALS (Cont.)

Table of Industrial stocks (continued) with columns for Name, Shares, Price, and % Change.

CORPORATION LOANS

Table of Corporation Loans with columns for Name, Shares, Price, and % Change.

BEERS, WINES & SPIRITS

Table of Beers, Wines, and Spirits stocks with columns for Name, Shares, Price, and % Change.

DRAPERY AND STORES

Table of Drapery and Stores stocks with columns for Name, Shares, Price, and % Change.

HOTELS AND CATERERS

Table of Hotels and Caterers stocks with columns for Name, Shares, Price, and % Change.

INDUSTRIALS (Cont.)

Table of Industrial stocks (continued) with columns for Name, Shares, Price, and % Change.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth and African Loans with columns for Name, Shares, Price, and % Change.

LOANS

Table of Loans with columns for Name, Shares, Price, and % Change.

BUILDING, TIMBER, ROADS

Table of Building, Timber, and Roads stocks with columns for Name, Shares, Price, and % Change.

ENGINEERING

Table of Engineering stocks with columns for Name, Shares, Price, and % Change.

INDUSTRIALS (Cont.)

Table of Industrial stocks (continued) with columns for Name, Shares, Price, and % Change.

FOREIGN BONDS & RAILS

Table of Foreign Bonds and Rails with columns for Name, Shares, Price, and % Change.

AMERICANS

Table of American Stocks with columns for Name, Shares, Price, and % Change.

ENGINEERING (Cont.)

Table of Engineering stocks (continued) with columns for Name, Shares, Price, and % Change.

INDUSTRIALS (Cont.)

Table of Industrial stocks (continued) with columns for Name, Shares, Price, and % Change.

INDUSTRIALS (Cont.)

Table of Industrial stocks (continued) with columns for Name, Shares, Price, and % Change.

INDUSTRIALS - Continued

Table of industrial stocks including Metal Cans, Metal Containers, Metal Packaging, etc.

PROPERTY - Continued

Table of property stocks including Anglo-Continental, Anglo-Continental, Anglo-Continental, etc.

INVESTMENT TRUSTS - Cont.

Table of investment trusts including Anglo-Continental, Anglo-Continental, Anglo-Continental, etc.

FINANCE, LAND - Cont.

Table of finance and land stocks including Anglo-Continental, Anglo-Continental, Anglo-Continental, etc.

MOTORS, AIRCRAFT TRUCKS

Table of motor and aircraft truck stocks including Anglo-Continental, Anglo-Continental, Anglo-Continental, etc.

SHIPPING

Table of shipping stocks including Anglo-Continental, Anglo-Continental, Anglo-Continental, etc.

SHOES AND LEATHER

Table of shoes and leather stocks including Anglo-Continental, Anglo-Continental, Anglo-Continental, etc.

OIL AND GAS

Table of oil and gas stocks including Anglo-Continental, Anglo-Continental, Anglo-Continental, etc.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including Anglo-Continental, Anglo-Continental, Anglo-Continental, etc.

SOUTH AFRICANS

Table of South African stocks including Anglo-Continental, Anglo-Continental, Anglo-Continental, etc.

TEXTILES

Table of textile stocks including Anglo-Continental, Anglo-Continental, Anglo-Continental, etc.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including Anglo-Continental, Anglo-Continental, Anglo-Continental, etc.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising stocks including Anglo-Continental, Anglo-Continental, Anglo-Continental, etc.

TOBACCO

Table of tobacco stocks including Anglo-Continental, Anglo-Continental, Anglo-Continental, etc.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including Anglo-Continental, Anglo-Continental, Anglo-Continental, etc.

OVERSEAS TRADERS

Table of overseas trader stocks including Anglo-Continental, Anglo-Continental, Anglo-Continental, etc.

INSURANCES

Table of insurance stocks including Anglo-Continental, Anglo-Continental, Anglo-Continental, etc.

PROPERTY

Table of property stocks including Anglo-Continental, Anglo-Continental, Anglo-Continental, etc.

FINANCE, LAND, etc

Table of finance, land, and other stocks including Anglo-Continental, Anglo-Continental, Anglo-Continental, etc.

PLANTATIONS

Table of plantation stocks including Anglo-Continental, Anglo-Continental, Anglo-Continental, etc.

LEISURE

Table of leisure stocks including Anglo-Continental, Anglo-Continental, Anglo-Continental, etc.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including Anglo-Continental, Anglo-Continental, Anglo-Continental, etc.

FINANCE, LAND, etc

Table of finance, land, and other stocks including Anglo-Continental, Anglo-Continental, Anglo-Continental, etc.

MINES

Table of mine stocks including Anglo-Continental, Anglo-Continental, Anglo-Continental, etc.

Regional and Irish Stocks section with various sub-sections and notes.

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FINANCIAL TIMES

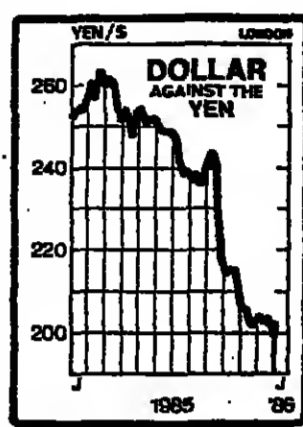
Saturday January 4 1986

Balfour Beatty are Building 01-686 8700

THE LEX COLUMN

The land of the rising yen

Index rose 11.1 to 1149.6



The equity market has recovered the losses of the autumn in impressive fashion... The market, however, is not giving Hanson a ghost of a chance on the present terms.

US ought now to be satisfied. Unfortunately, the short-term effect of a weaker currency on a country which imports too much is to worsen the current account deficit as the same volume of goods is imported in more expensive foreign currencies.

Guinness/Britannia

Yesterday's headline saw Guinness/Fat falling woefully short of the acceptance it needed to secure control of Britannia Arrow.

Hanson/Imperial

When Hanson Trust announced its offer for Imperial Group last month, it was so charitable towards the Imps management that the defending company's shareholders were entitled to wonder what Hanson could contribute to such a splendidly run organisation.

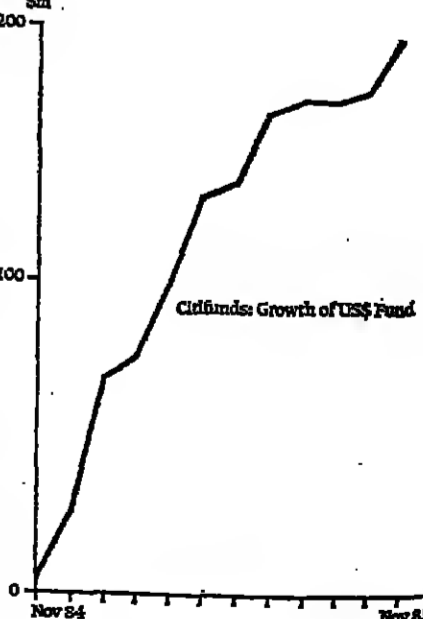
In twelve months investors have given us \$200,000,000. And we've given them superior yields.

In just one year investors have made Citifunds one of the largest offshore money market funds.

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Libyans ready 'to face US attack'

BY ROGER MATTHEWS, MIDDLE EAST EDITOR

LIBYA reported yesterday that anti-American demonstrations had continued throughout the country for the second consecutive day.

An official said that if the evidence became stronger, the government in Bonn would coordinate joint measures against Libya with its European partners.

US television networks reported that American forces in the eastern Mediterranean were being built up in case President Reagan ordered a retaliatory strike.

There are also a body of opinion within the Administration which argues that military retaliation could be counter-productive in the wider Middle East context.

Victory for Phillips in oil royalties battle

By Fay Gjester in Oslo

PHILLIPS PETROLEUM has been awarded just over Nkr 140m (£12.5m), with Nkr 675,000 costs, at the end of a long legal battle with Norway.

The decision of the Norwegian Supreme Court could set a precedent for the tax treatment of about 35 other oil companies. It could also lead the Norwegian Government to back down on its demand that royalty payments be made quarterly.

The award to Phillips represents compensation for extra interest costs incurred because the Government unilaterally changed its agreement with oil companies - under which licences awarded before 1972 - that production royalties should be paid half-yearly, and demanded quarterly payment instead.

Two lower courts agreed with the Phillips claim that the Government had no right to do this, and on December 19 the supreme court upheld their judgments. The sum of Nkr 140m represents interest costs incurred between 1977, when the Government began demanding cash payment quarterly, and June 30, 1985.

Before 1977, all royalties had been collected in kind, Norway's new petroleum law, which came into force on July 1, 1985, annulled earlier royal decrees about how often royalties should be paid and confirmed that they should be paid every quarter.

The judgment does not take a stand either way about the legal position after July 1, 1985, that is, whether the Government has the right through the petroleum law to annul the 1985 royal decrees which specified half-yearly payments.

Phillips' legal advisers say that if the Government does not amend the new law, and returns to the half-yearly system, the company will probably test the law in the courts, on the grounds that the Norwegian constitution forbids retroactive legislation.

CHIEF PRICE CHANGES YESTERDAY

Table listing price changes for various commodities like RISES, FALLES, etc. including items like A.B. Electronic, Allianz, Allied-Lyons, etc.

WORLDWIDE WEATHER

Table listing weather conditions for various cities like Ajoalco, Alameda, Athens, Bahrain, Barcelona, Beirut, Belgrade, Berlin, Birmm, Bombay, Brno, Bucharest, Cagliari, Calcutta, Caracas, Chongqing, Coimbra, Curitiba, Damascus, Dhaka, Doha, Dublin, Edinburgh, Frankfurt, Geneva, Ginebra, Harare, Helsinki, Hong Kong, Hanoi, Hyderabad, Ibadan, Jakarta, Johannesburg, Kuala Lumpur, London, Lyons, Manila, Mexico City, Miami, Moscow, Mumbai, New Delhi, New York, Nicosia, Ottawa, Paris, Perth, Phoenix, Port of Spain, Prague, Rome, Seoul, Singapore, Stockholm, Taipei, Tientsin, Toronto, Tunis, Valencia, Wellington, Yerevan, Zagreb.

French Kier fires final defensive shot at Beazer

BY CHARLES BATCHELOR

FRENCH KIER, the construction group fighting a £113m takeover bid from C. H. Beazer, the fast-growing housebuilding company, yesterday fired its final defensive volley in the form of an estimate of a much-improved 1985 performance.

French Kier is the latest in a series of housebuilding and construction companies to find itself the object of Beazer's attentions. A rapid string of acquisitions has taken Beazer from a market capitalisation of £5m in 1979 to about £150m today.

The French Kier statement, made on the last business day permitted under the City's takeover code, coincided with an announcement from Beazer that it had received acceptance of its offer from the owners of just 0.6 per cent of French Kier's equity.

Boeing wins \$2bn airliner orders

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BOEING, the world's biggest builder of jet airliners, has won orders worth close to \$2bn (£1.4bn).

The order includes an order from United Parcel Service of the US, which specialises in door-to-door parcel delivery, for 20 of the new package freighter version of the twin-engine Boeing 737, with options on another 15 worth about \$1.4bn in all.

Boeing has also won further orders from Japan Air Lines for five more of its 747 Jumbo, and one additional twin-engine 767 medium-range jet, worth \$570m in total.

The contracts, which have just been announced, represent deals signed late in 1985. As a result, Boeing has added them to 1985 contracts list, bringing the total of new jet orders won last year to 380, worth about \$15bn.

In terms of aircraft numbers, this made 1985 Boeing's third best year, after 1978 (472 jet orders) and 1984 (412). In value terms, however, last year was the best.

Boeing said the JAL deal for five 747s included four of the Series 300 stretched upper deck model and one all-cargo version. They will bring JAL's Jumbo fleet to 59.

The order is seen as a gesture of confidence by JAL in the Boeing 747, in spite of the accident near Tokyo last August in which 520 passengers and crew were killed when a 747 crashed into a mountain.

The 757PF, package freighter model, is designed to carry a large payload of small parcels in up to 15 containers. Mr Dean Thornton, president of Boeing Commercial Airplane Company, said the quiet engines would permit UPS to fly into noise-sensitive airports and compete more effectively in the small-package industry.

The Douglas Aircraft Division of McDonnell Douglas has been awarded a \$3.39bn fixed-price contract by the US Air Force for full-scale development of the C-17A heavy-lift freighter, up to 1992.

practice to include property revaluations and profits still to be paid for completed contracts. Mr Brian Beazer, C. H. Beazer's chairman and the architect of its recent rapid expansion, criticised the French Kier estimates.

"Nowhere do they tell shareholders where the increase in profits has come from, whether it is from UK business or abroad," he said. "The assets situation is also confusing. They include items which people normally take out."

French Kier's estimate of higher profits and dividends for the year just ended prompted a further small jump in its share price, increasing pressure on Beazer to improve its offer if it wants to win the bid battle.

French Kier estimated that its pre-tax profits rose by 25 per cent to £20.5m on turnover which increased by 13 per cent to £370m. Earnings per share rose 27 per cent to 23.7p while it expects to pay a total dividend of 8.6p, 40 per cent higher than the 6.15p in 1984.

Mr Beazer estimated that French Kier's assets were only 180p per share if the property revaluations, future profits and the cost of the final 1985 dividend payment were excluded.

The French Kier estimates were, however, sufficient to push its share price up higher to 261p. Beazer's shares fell 2p to 476p to value its offer at just less than 230p per share, well below the French Kier market price.

Beazer is offering two of its own shares and 65p in cash for every seven French Kier shares. There is a cash alternative worth 225p per share.

Beazer has until January 11 under the takeover code timetable to increase its offer if it wishes. Mr John Mott, French Kier's chairman, dismissed the idea that a combination of civil engineering and housebuilding work would flatten out the swings of the construction cycle.

In a year of frantic bid activity Beazer has acquired William Leach, another builder, for £25m, bought a small US housebuilder for \$3m (£2.1m) made an unsuccessful tender offer for 25 per cent of SGB, the scaffolding group, and paid nearly £3m for G. E. Wallis, another housebuilder.

Mr Abel Matutes, the junior commission from Spain has been allocated responsibility for small and medium businesses - a new portfolio - and for EEC borrowing and investment policy.

The shake-up has been negotiated by Mr Delors in personal discussions in recent weeks and still means losses for the present members.

Portugal's Mr Antonio Cardoso Cunha has to contend with running the Community's fisheries policy, in spite of the apparent unhappiness of his Government. Not only does the job have no real budget, but it could also create conflict with Spain over access for that country's large fishing fleet in EEC waters.

The most important portfolio in the change-round, social affairs and employment, goes to Mr Manuel Marín, the Spanish vice-president of the commission, who was mainly responsible for the negotiation of his country's membership terms.

Shamir's call, Page 2

Spain and Portugal get modest jobs in EEC Commission

By Quentin Peel in Brussels

MR JACQUES DELORS, president of the European Commission, yesterday avoided a bruising upheaval in his team by organising a limited reshuffle to accommodate three new members from Spain and Portugal.

The newcomers to the European Commission's executive body will have to make do with modest tasks in the new 12-man commission, after the present members resisted efforts at a more wide-ranging shake-up.

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Mr Karl-Heinz Narjes, the West German vice-president responsible for industry and technology, successfully resisted a plan to give him the research portfolio of one of the new members.

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Mr Varris's other job of maintaining liaison with the European Parliament, has been transferred to Mr Peter Sutherland of Ireland, who loses social affairs to Mr Marín. It provides Mr Sutherland with the public profile he would otherwise lack in his job of running competition policy.

Mr Clinton Davis has had to pay for keeping both transport and the environment, by giving up two minor jobs: forestry to Mr Friso Andriessen, the farm commissioner, and consumer protection to Mr Varis.

Carrington warns Spain and Commission portfolios, Page 2

Continued from Page 1 Hanson

the constant need to diversify end to concentrate no enhancing every aspect of their existing companies.

He cited four examples of companies which Imperial had bought and then sold at a loss or at a price which was less than the price they had originally paid.

"It's a mismanagement of shareholders' funds of staggering proportions," Mr Geoffrey Kant, Imperial chairman, charged Lord Hanson with "mistake after mistake" in the disposal of Imperial's shareholdings.

"It's rather like selling a house at £50,000, seeing the new owner sell it five years later for £60,000 and then being accused of having 'lost' £10,000," he said.

Sir Hector Laing, United Biscuits chairman, said UB's proposed merger with Imperial would create a really formidable consumer products group.

Lord Hanson dismissed the UB/Imperial merger plan as "Really a reverse takeover of one of Britain's most famous names."

"Not content with surrendering a disproportionate share of your assets and profit, the board of Imperial also plans to relinquish overall management responsibility."

Hanson is offering two of its own shares and 55.5p worth of 8 per cent convertible unsecured loan stock for every five Imperial shares. The offer values Imperial's shares at 237p each. Imperial's shares rose 2p to 255p yesterday.

Westland Continued from Page 1

as an attractive element in the Sikorsky/Flat proposal. But Mr Heseltine assured Mr Horne that the Government had no intention of ordering it "whether offered by Short Brothers in association with Sikorsky or the Government from both the other governments and the companies concerned that a Westland link with Sikorsky/Flat would be incompatible with the participation by that company on behalf of the UK in the collaborative battlefield helicopter and NH90 projects.

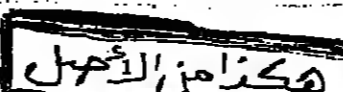
"There have been separate indications from Agusta that if the Westland deal with Sikorsky went through, Agusta would have to seek other partners."

Britannia Continued from Page 1

press Britannia to dispose of some of its assets in order to realise more immediate benefits for its shareholders. The result also leaves a question mark over Guinness Seal. The defeat in the first big setback for Mr Morton in his efforts to transform the once-struggling company into an important financial services group. However, he is considered unlikely to drop his ambitions for acquisitions.

Britannia Arrow is in the investment management and banking business. One of its subsidiaries is Singer and Friedlander. The City accepting house, Guinness Seal has a wide range of interests in the investment banking, property and leasing business. It also owns the accepting house, Guinness Mabon.

The result is also useful for Lazards in the City takeover rankings. The merchant bank was claiming last night that it marked the third time it had defeated Morgan Grenfell in a bid where Morgan's client already held a 29 per cent stake in the target company. The two previous occasions were Sotheby's and Eagle Star.



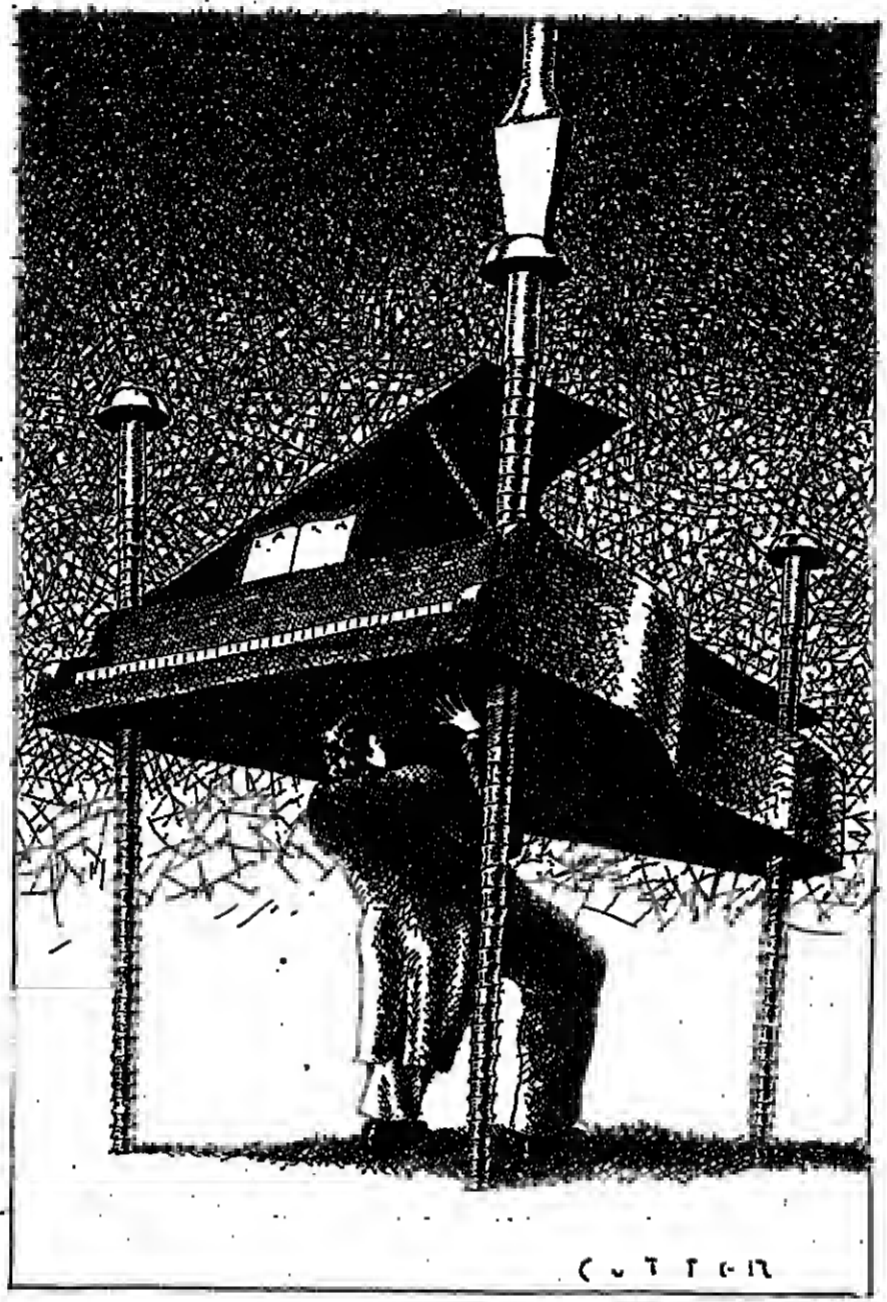
WEEKEND FT

Saturday January 4 1986

MARKETS • FINANCE & THE FAMILY • PROPERTY • TRAVEL • MOTORING • DIVERSIONS • HOW TO SPEND IT • BOOKS • ARTS • TV

The music makers

London-based Jose Feghali won a top piano competition—but that alone won't ensure success. Ian Rodger reports.



experience and maturity count for a lot. Holland's negative review of Feghali was motivated at least as much by his distaste for competitions as from his displeasure with the performance. "This is perhaps the greatest damage that the Van Cliburn and competitions like it perpetrate," he wrote. "They convey the instant stamp of mastery to those who are not yet masters." Few, including Feghali himself, would argue with that. "I am not a master," he says. "The mastery comes years later." Competitions are a phenomenon of the post-war period and, like them or not, they respond to the demands of our age. The stately pre-war world in which many musicals could build and widen their reputations gradually by playing in clubs and halls has gone for ever. Because of improved communications, the top performers now rush around the world from engagement to engagement. The public, even in remote areas, has become reluctant to go out of its way to bear anyone but an internationally recognised artist. Moreover, the sale of recordings that

have been edited to be note-perfect has created almost inhuman expectations for concert hall performances. They also have limited the extent to which a musician can put his own interpretation on a work.

Competitions provide rough and ready solutions to these problems. With their enormous public appeal, they can make an instant and saleable start out of the winner — for a time, at least. This was demonstrated first in 1958 when Cliburn won the Chaikovsky competition in Moscow. Coming only a few months after the Russians launched the first Sputnik, the victory was an enormous morale-booster for the US. Cliburn became a national hero and was given a ticker-tape parade down Broadway.

Since then, virtually every pianist to make an international reputation has done it through winning a major competition. Maurizio Pollini and Martha Argerich won the Chopin competition in Warsaw, Murray Perahia won at Leeds, and Radu Lupu won both the Leeds and the Van Cliburn. A few, such as Dinu Lipatti and Ino Feghali, achieved fame because of the controversy generated when they did not win a competition.

Winning a competition is no guarantee of a career, though. As Andrew Raeburn, executive director of the Cliburn, says: "Winning is only the beginning." Even the long list of engagements is not crucial. "The key," says Raeburn, "is whether they invite you back." Many competition winners have shone brightly for a moment and then disappeared. Cliburn himself eventually came under severe criticism for not widening his repertoire, and has not played publicly for 10 years.

Competitions are judged by juries and, like any committee, these tend to form a consensus view in favour of the safest candidates — those with flawless technique and few, if any, eccentricities when interpreting popular works. It is inconceivable, for example, that Glenn Gould, the much-admired but unorthodox Bach specialist, could have won a major competition.

Christopher Elton, professor of piano at the Royal Academy and Feghali's teacher for the past six years, says: "We all dislike competitions, but I do not think we have the right to advise our students to stay away from them."

Whatever their merits, they certainly transform the life of a winner. Feghali might have been poor and unhappy before last June, but since then he has been caught up in a swirl of planes, hotels, concert halls, parties and Press interviews from Honolulu to Vienna, all programmed by the all-important agents.

Charles Hamlen, who has taken on Feghali, is recognised widely in the US as one of the up-and-coming agents. He left a high school teaching job in Buffalo eight years ago to set up his own agency with a friend, Edna Landau. That in itself was a brave thing to do because the management business in the US is dominated by two companies, Columbia Artists Management (CAM) and International Creative Management (ICM). Their power stems from the large number of popular artists they manage. If, for example, a concert hall wants to book Pollini, CAM can reply by saying it would be easier to deliver him if the hall also would book Joe Bloggs, a pro-

missing unknown on its list. It is even more important for agencies to represent conductors because they have a large say in selecting soloists. CAM manages more than 90 conductors.

In Britain, the concentration is not so great: four agencies, Harold Holt, Ibbes and Tillett, Harrison/Parrott and Ingpen and Williams lead the field. But in both countries, there are also dozens of independents, such as IMG Artists, Hamlen's agency, which has only 21 artists, excluding ensembles, on its list. The independents do not have the muscle of the big agencies but, like merchant bankers, they live by their wits, hoping for a big break.

An agent has to know all the concert hall managers and major conductors so that he can try to put forward his clients where and when he thinks the response will be sympathetic. The idea is to win the confidence of conductors and hall managers by delivering good artists.

Agents also negotiate fees, book hotels and flights, handle public and press relations, and provide financial advice and other services. For this they charge a 20 per cent commission on all fees, and bill the artist for every expense incurred on his behalf. A top pianist can command more than \$20,000 for a performance; the typical recital fee of a young pianist, like Feghali, is around \$1,000. But UK fees are much lower; a busy agent can make a good living, but a steady cash flow is vital. That is why agencies cannot afford to carry young, but unproductive, artists for very long.

Hamlen claims he angled out Feghali and approached him at Fort Worth well before his victory. "I heard Jose do the Dvorak piano quintet" (Feghali also won the chamber music prize) and it was alive, exciting playing," he says. "Then I listened to his semi-final recital and it was clear to me that this was someone of real artistic individuality."

The record companies also were in Fort Worth, but a recording contract is still a long way from Feghali, if it comes at all. The big companies — Deutsche Grammophon, EMI and CBS — have fallen on hard times in recent years, partly because of the home cassette taping boom, and they are in no rush to sign up new, young pianists. The recent introduction of compact discs could make things even tougher: the new technology improves old recordings dramatically and is creating a surge in demand for old masters, such as Rubenstein and Cortot. Hamlen makes a virtue of this, saying Feghali should not record something new about which he might be embarrassed later.

All of this must be a bit overwhelming for the young pianist but, so far, he has managed his new life with remarkable poise. "Andrew says the importance of this has not bit yet," he says. "I think I had all the fear before the final. By then, I had felt I could win and then there was this fear of the unknown."

He also has been lucky, though. The New York Times review, in isolation, would have been a devastating blow; but the Chicago raves, coming on the same day, cushioned it. And most of the reviews elsewhere have so far varied from gentle to highly complimentary. His private life has taken a beating and, of course, he has almost no time to prepare new repertoire, but he says he enjoys the routine. "I was worried about being able to live with this but I like it. Now that I am earning my living in it, I am finding that I love music much more than I thought."

Jose Feghali performs at the Queen Elizabeth Hall, London, on Wednesday, January 8.

A DINNER party celebrating the debut at New York's Carnegie Hall last October of the young Brazilian pianist, Jose Feghali, was in full swing when Van Cliburn, the US piano sensation of the late 1950s, rose to speak. Cliburn, now a portly 51, is the figurehead of the quadrennial international piano competition in Fort Worth, Texas, that bears his name. Feghali, who is 24 and has lived and studied in London for the past 10 years, was the latest winner.

Cliburn revealed that Feghali had "graciously agreed" at short notice to do a recital the following afternoon in Chicago, filling in for an ailing André Watts. Thus, he would have to leave the party early to get a few hours' sleep. Ah! Here was the stuff of B-movie scripts. The handsome, aspiring performer being ushered out of the party on a wave of applause as he prepares for the big break that will make him a star overnight. And, in the best show-biz tradition, Feghali triumphed the next day. The critic of the Chicago Sun-Times went so far as to suggest that the Brazilian could easily have a career surpassing that of the famous Soviet pianist, Emil Gilels, who had died the previous week. The Chicago Tribune reviewer said Feghali not only had considerable artistic accomplishments but "a natural flair for stage communication."

Real life is not a script, however; back in New York, Bernard Holland, of the all-important New York Times, was writing a rather different reaction to the Carnegie Hall recital. He dismissed Feghali as "a skilled orator without a topic" and concluded that "he is neither a talent nor a spiritually equipped for the spotlight into which he has been cast."

Two days later Feghali was back at his dingy, terraced house in Finchley, north London, bemused by the events of the previous weekend but, apparently, not distressed. "At the end of the day, it is not a review that will hurt your career," he said. "If the public like you, they will keep buying tickets."

Brave words, and true as far as they go; but they are a long way from the kind of thoughts preoccupying Feghali only a few months ago when he was just another struggling young pianist. The odds still are strongly against him achieving international stature, but he is already in a very select company. He has been noted, and he has agents working for him.

There are 151 students at the Royal College of Music in London studying piano as a principal subject, another 100 or so at the Royal Academy, and 50 more at the Royal Northern College of Music. Add similar numbers for other large West European countries, and many more for Eastern Europe, the US and Japan, and it quickly becomes clear that the supply side of this business is more than ample.

As for demand, the sad fact is that there are no permanent jobs for classical pianists. Aspiring soloists on virtually every other instrument can shelter in orchestras, especially violinists who are needed by the dozen. But most pianists have nothing on which to fall back while they struggle desperately to gain even the most modest forms of recognition. The only tactics available in them are to seize every opportunity to perform, however humbling, and to enter as many competitions as possible.

For the very talented, the struggle might not be quite as hard. Michael Kaye, general administrator of the Young Concert Artists Trust (YCAT), a UK charitable management agency that represents promising artists, says it usually is obvious even from a 15-minute audition if a musician has something special. Even recognition of talent

does not translate easily into a career, though. Feghali had already had considerable exposure by the time he went to Fort Worth last spring, and there was no doubt he had been noticed. While studying at the Royal Academy as a scholarship student, he took second prize at the Queen Sophia International competition in Madrid in 1979; first prize in the International Young Concert Artists competition in Tunbridge Wells in 1980; and first prize in the Dudley piano competition in 1981.

He appeared in master classes conducted on BBC television in 1983 by Jorge Bolet and, last year, reached the quarter-finals of the famous Leeds piano competition. In 1984, he was one of six musicians selected to be represented by YCAT. Since then, he has played with the Royal Philharmonic Orchestra and three major provincial orchestras in the UK as well as giving several recitals around the country, home, though, he still was putting coins in a jar after each telephone call so as not to be caught short when the bill arrived.

One key to rising above the fringe world of club recitals and Sunday matinee concerts of old favourites is to extract the interest of a good commercial agent. Such a person is crucial to the success of any musician, simply because of the time it takes to make and cultivate contacts and to watch for opportunities. However, music management is almost as tough as the music business itself. Agents live on the strength of the artists they represent. If an agent cannot convince concert halls to book one of his artists, then he has to stop spending his time on that artist and sign up others.

Not surprisingly, the ranks of established musicians with agents are very small. The British Association of Concert Artists lists only 225 pianists in its who's who of musicians and their agents — and that includes all the great foreign players. Of this list, only about six can be counted on to fill the 3,000-seat Royal Festival Hall.

It is, of course, much more difficult for agents to arrange engagements for an unknown artist than a famous one, so they are reluctant to take on even the most talented and promising newcomers. However, one thing that can be counted on to attract the attention of agents is a victory in a big competition.

People in the music business quibble about the relative status of the world's top piano competitions; but the Van Cliburn is, without doubt, the most lavish, as befits an operation run by Texas millionaires. With his victory last June, Feghali picked up \$12,000 in cash, the Carnegie Hall recital, free air travel in the US for two years, and a heavy schedule of recitals and concert dates in North America and Europe for 30 months. More important, he was swamped with offers from agencies wanting to represent him. "I had had some exposure before, but there is no comparison with this," he says.

Music competitions are controversial. Many people fear they do not necessarily push forward the most interesting performers. Critics, in particular, baste them, partly because they focus excessive attention and favour on one person, the winner; and partly because they promote a cult of youth in a field where

The Long View

A dusting of undeserved glamour

QUACK medicines sell because people want to believe in them; and much the same can be said of economic forecasts. Forecasts cannot by nature be high quality products, because they are made from low quality ingredients — official statistics which are often wildly inaccurate when they first appear (you can find details in last week's column, if you still have a copy). The forecasters know this, but they plough on, because forecasts are what the market wants.

This is a great pity; for although forecasts are of some real use to economists — who learn where their current theories are wrong — they are of only very limited use to those who buy them. They are not too bad at growth prediction, but not very good either: hardly anyone expected next year's tight budget of 1981 to mark the start of a recovery, and virtually everyone was far too pessimistic about the US recovery when it came. The record on important numbers like exchange rates and interest rates is really terrible.

Of course the forecasters are doing their honest best; so are the makers of nearly any pill you can buy over the counter. Unfortunately, though, we are more realistic about the pills.

Perhaps it is the reflected glamour of the computer, or just wilful credulousness; whatever the explanation, many people continue to treat the model-builders as if they were the suppliers of a panacea. MF's campaign down the years for "policy optimisation," it cannot be done in the present state of knowledge — and certainly not with a "model" containing no economics at all, though this was tried a few years ago at large public expense. Every crack-brained scheme now comes "tested on the Treasury model" — again, useless. Quack-

Like pill-makers, forecasters are doing their honest bests but the lay world gives them a glamour they don't deserve in the slightest, says Anthony Harris



ery is in the eye of the beholder. This bias has done a lot of damage. Faith in black boxes is now out of fashion, but the disillusioned threw out the baby with the bathwater. Politicians who became disillusioned with management-by-computer also lost all interest in serious economic analysis — but not in panaceas. Instead, we got a wave of simple-minded slogans about

the supply side, or the money supply, or the rules of good housekeeping.

Now, at length, we are becoming disillusioned with panaceas, whether or not they are computerised; and that is very good news.

Of course the established policy institutes like the OECD at the official level, the National Institute here and the Brookings in the US have always spent some of their time on useful analyses of specific problems; and more recently specialised bodies like the Institute for Fiscal Studies, which does really incidental work on tax and benefit questions, have flourished. Now, however, new efforts are being made to encourage academic economists — the whole universe of the best minds in the discipline — to get engaged on practical policy issues, and to analyse them in language which practical policymakers can understand. The National Bureau for Economic Research in Washington has worked for a long time on these lines. Now the Centre for Policy Studies does the same in London, and recently a cross-European effort has been launched round a new book-style journal, Economic Policy. This academic work reflects current developments in the subject — work on how well-informed expectations really may affect decisions, work recognising that equilibrium (balanced supply and demand) is an abstract idea rather than a fact of life, work on bargaining situations, and attempts to find rigorous definitions of words like "solventy" and "sustainable."

Another value of careful analysis is that it points to answers which are not intuitively obvious. Readers of this column saw one example when Barry Riley showed, a few months ago, that mortgage tax relief is effectively a tax on the young for the benefit of the old. Sweder van Wijnbergen, a Swede who is currently with the World Bank, shows that fiscal expansion in the rich countries, which is commonly touted as a good way to help the poorer countries, actually tends to make matters worse for them.

Again, ideas cannot be filed and forgotten; policies need to be taken out, dusted and re-examined regularly. This is done by a Franco-British team, Paul Geroski and Alexis Jacquemin, who review industrial policy in Europe. It turns out to be dominated by the ghost of an idea which was fashionable 20 years ago, that big is beautiful. They suggest a better approach. It can even be important to show simply that a question is very difficult. Willem Buiter's study of the PSBR and the many suggested alternative measures of fiscal stance is mainly a demolition job, and heavy going; but no reader will ever come up with a simple-minded slogan again.

I must say that I find this kind of approach much more useful and even much more entertaining than number-crunching. As a catalogue, it probably looks like anything rather than fun; but wherever the opportunity arises to steal a good piece of analysis from such a source, I will try to show that it is not only enlightening but even amusing. You can treat that as a manifesto or a grim warning, according to taste.

The results show why this kind of analysis is useful. It can on occasion provide precise answers to subjects which are often the subject of misleading rules of thumb, or more or less hysterical guesses. Daniel Cohen, a French ex-World Bank official, provides an illustration by working out an index of country solvency showing which debt crises really imply a threat that banks may lose their money, and which merely imply that they may find themselves locked in. The formula would have forecast all the detailed crises.

Economic Policy, Cambridge Univ. Press £9 for 2 issues annually.

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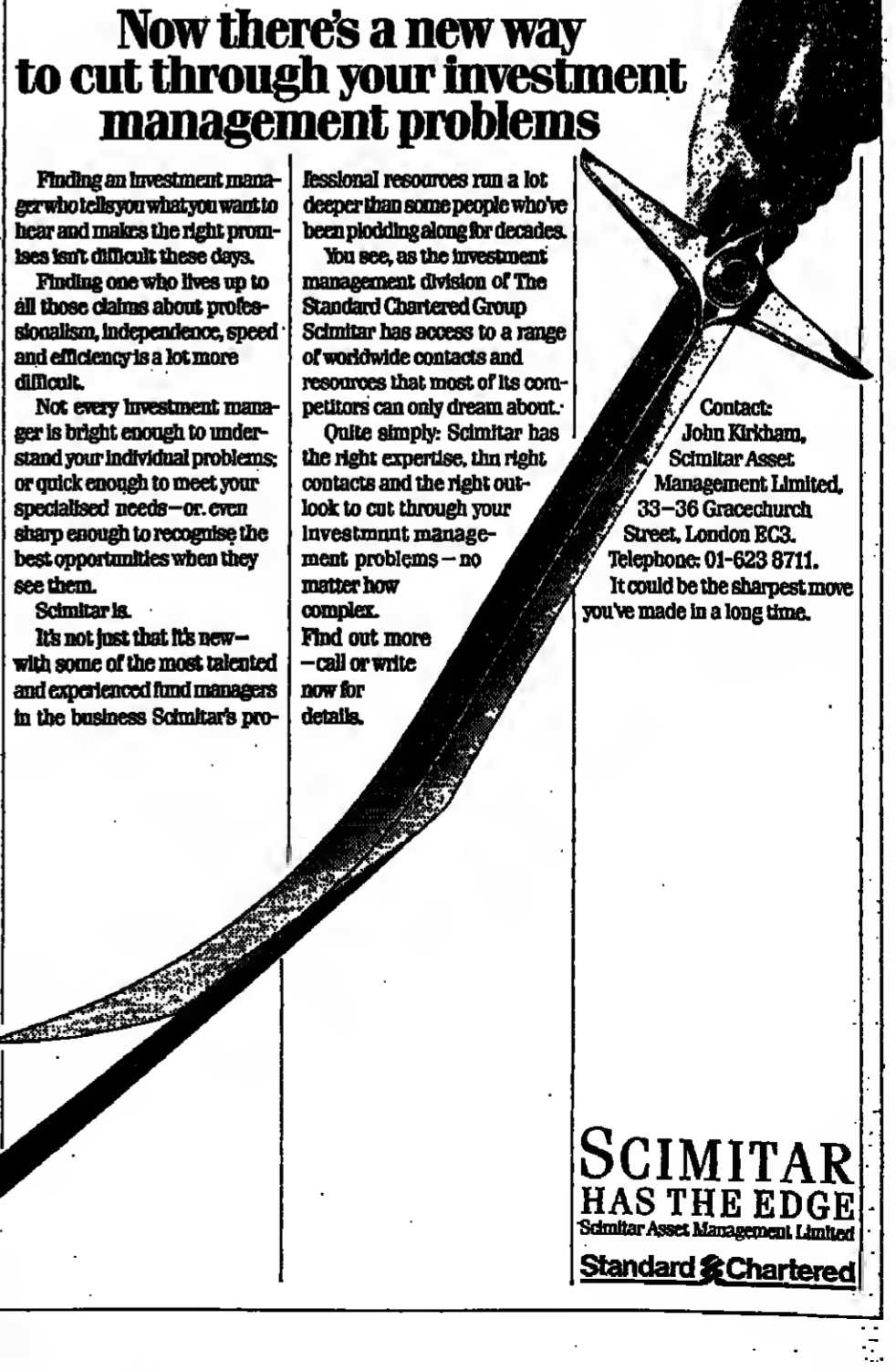
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MARKETS

Oil the critical factor in equations for coming year

THERE WAS an air of confidence about the men and women who set off from their investment houses and dealing rooms on Tuesday. It had not been the best of years on the equity market but capital growth of 16 per cent was not bad going on comfortably better than double the rate of inflation. And even the cautious among them could cheerfully tick off a fair list of reasons why equity prices could be a good 10 per cent or more higher in 12 months' time.

The economy might be pushed to match 1985's growth in GDP but at the very least there should be no increase of 2 per cent and possibly, with a following wind, something closer to 4 per cent. Inflation will continue to fall and if the Chancellor's target of less than 4 per cent looks a little too risky there is no doubt that once again the corporate sector will see a real increase in profits.

After the last 12 months, when overall profits growth probably only just crept into double figures, 1986 holds out the hope of a further 10, or perhaps even 15, per cent increase in pre-tax profits with marginally lower tax rates pointing to something a touch better at the earnings level. Dividend growth should, more or less, keep pace with earnings.

So the equity market is sitting on a prospective earnings multiple of 11 and a dividend yield of very close to 5 per cent, in keeping with the average figures of the past few years.

Yet even an optimist has to concede a couple of imperfections in the bullish view. The oil price remains critical. It only took a few rumblings from within Opec that its members were no longer willing to sacrifice output in order to sustain the price to clip 5 per cent off the equity market from the 702 high point on the All-Share.

Interest rates remain historically high in real terms and are likely to stay that way for a while. There may be scope for a modest cut ahead of the Budget but there would be no point in seriously trimming base rates only to haul them up twice as quickly to defend sterling if the oil price collapses.

It was only a year ago that short-term rates were jerked up by 4 1/2 points to 14 per cent as the pound rushed towards parity with the dollar. As long as the oil price remains uncertain — and the next Opec meeting will not take place until shortly before the Budget — Mr Lawson will not want to tamper much with interest rates. But even so, the optimist points out, 1 1/2 per cent

The Budget, however, is more than two months away and consumer sectors are unlikely to keep rising in anticipation. So fund managers wedded to three-month performance tables may be taking a second look at stocks with an international flavour which

London

were abuzz throughout much of last year.

On a short term view it is hard to ignore the uncertainties created by a potentially weak oil price for starting, interest rates and, in the extreme, those engines deserve a cautious approach. As capital allowances dry up the highest problem for many of these companies could simply be a lack of demand.

Electronics, however, which carried away the wooden spoon for '85, might bounce back this year. The reasons for the slump in share prices, which took a highly rated sector and left it standing at a discount to the market twelve months later, are well known but there are reasons to be optimistic now as the outlook for a number of important areas — defence, telecoms and semi-conductors — improves. With the benefit of lower cost cases profits in 1986-87 could show a sharp improvement and share prices should react in anticipation later in the year.

In particular the collapse in STC's price appears overdone. Profits for calendar '86 could come out around £70m. A prospective p/e of 12 is hardly cheap on face value but consultants have been crawling all over the group and their findings are now in the hands of new management. Conceivably £70m of costs could be stripped out of the group over the next year.

The other notable weak spots of 1985 were tobacco and chemicals thanks to the impact of a strengthening pound on dollar earnings and international competition. BAT's price has been well hammered but a discount of 45 per cent to the market average seems too harsh.

The prospects for chemicals are less enticing. Both ICI and BOC are modestly rated against the market and it is hard to see that changing significantly within the next six months. The coming year may see a turning point for petrochemicals but it could be a few years before they get ICI on recovery hopes for '87 even if the current sterling/D-mark rate suits the group as it hattles the West German majors.

So some of last year's laggards should come right during '86 but the best of the year — and perhaps the safest bet at this stage — is the composite insurance sector where profits are recovering fast on the back of rate increases, particularly in the US. The pick of the bunch is Royal and GA.

Terry Garrett

That would seem to leave the results season of the early months as an obvious window for any large rights issues. The market has earmarked funds for the Wellcome donation but an overdose of cash calls could easily reverse prices just as it did last summer when Hanson waded in with its £1bn issue.

The bull market may hold good for another 12 months but equities will surely remain volatile. The target range for the year end must be something around 750 to 750 on the All-Share but it could easily touch extremes of 600 or 800 assuming the year contains its fair share of snakes and ladders.

In terms of sector performance it could well turn out that the fashionable areas of '85 slip down the performance tables while the ugly ducklings turn into, at least, respectable-looking ducks. For example, although consumer spending appears all set to be buoyant again it is unlikely that the stores sector can achieve anything like last year's 36 per cent rise.

Certainly the sector should see an above average level of profits increase but that expectation is already well and truly recognised in current share prices with a historic p/e on likely '85 profits of around 16. The only caveat which could change the bland prospects for stores is the potential for another round of high activity.

One stock, however, which could stand out from the throng is Habitat Mothercare. The shares have performed badly since the announcement of the BHS merger but BHS

is coming on an attractive earnings multiple and the enlarged group will be lightly geared.

Elsewhere in the consumer sector brewers and distillers have been star performers but largely thanks to a rash of bids that prompted a wholesale reappraisal of the drinks industry. That is unlikely to be repeated in '86 but profits growth could still come out above the industrial average.

Essentially, among the regions, Wolverhampton and Dudley give exposure to well run pure brewers while Grand Metropolitan offers a much wider spread and should perform well after the disappointments of 1984-85.

In the capital goods sectors, groups tied to the UK building industry and many of the engineers deserve a cautious approach. As capital allowances dry up the highest problem for many of these companies could simply be a lack of demand.

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Terry Garrett

HIGHLIGHTS OF THE WEEK

Table with columns: F.T. Ordinary Index, Price y'day, Change on week, 1985/5 High, 1985/5 Low, and a brief description of market activity.

Waiting for the Big Bang

LAST year might not have been a stunning one for the USM index — it started 1985 at 112.19 and ended it at 114.52, underperforming the FT-Actuaries All-Share index by 1.4 per cent — but there were few complaints about the junior market's performance. Indeed, the celebrations accompanying the USM's fifth anniversary brought a crop of accolades.

This was mainly out of recognition that a number of special factors had combined to depress the index's performance. One was its orientation towards the long-suffering electronics sector; another was the onset of a greater sense of realism about USM share prices which caused a welcome readjustment of p/e ratios and brought them more closely into line with those of main market stocks.

A straw poll among observers of the USM shows that some of the optimism about the market's prospects has continued into the new year. With many commentators expecting corporate profits to grow at twice the rate of inflation, and predicting a continuation of the bull market in equities for most, if not all, of 1986, the USM might reasonably be expected to make strong progress.

There are, however, reservations. The two principal ones are how well the USM would stand up to a bear market if it were to arrive during the year, and how the junior market will react to Big Bang in the autumn.

The prospect of a bear market is no longer quite as horrifying as it once was. The downward adjustment of p/e ratios has removed some of the market's potential for volatility; and although lack of liquidity could cause a bloodbath among some of the less saleable stocks, the USM as a whole is regarded as having reached a degree of maturity sufficient to see it through the worst.

THORN EMU had a bad year in 1984-85 and the interim figures for the period to last September, due out on Thursday, are expected to show a further deterioration. Seasonal influences do not in any case favour Thorn's first half, and analysts expect the group to have struggled to stay in the black.

The biggest single factor behind the downturn will have been the performance of Immos, the group's microchip manufacturer, which has been making heavy losses because of the slump in the semiconductor industry and problems with some of its products.

Immos was acquired part-way through the previous year's first half and contributed £2.6m in

Waiting for the Big Bang

It is Big Bang which is likely to prove the greatest obstacle to the USM's progress in 1986. The abolition of minimum commissions and single capacity Bispoquot is widely expected to lead to a fragmentation of the market for USM stocks and to increase dealing problems to the point where institutions may lose interest in the market.

Isabel Unsworth, Grieverson Grant's USM analyst, thinks this is likely to increase the pressure on the ratings both of new issues and of stocks already on the market. "There is considerable institutional concern about dealing problems in the post-Big Bang climate and it will, therefore, be that much more difficult to arouse their interest in some stocks," she says.

"For that reason I would expect to see a downward drift in USM stocks until they reach

the point where they look sufficiently worthwhile for the institutions to hold. "That is not to say that some stocks won't gain, but the market as a whole has still not yet got to the stage where it looks cheap."

David Cohen, corporate finance partner of Shanon and Coates, expects a two-tier market to evolve as a result of Big Bang, with the larger market-makers subsidising specialist USM operations with the revenue from their trading in first-line stocks.

He thinks the lack of liquidity in small companies' shares after Big Bang is likely to lead to a fall-off in the rate of USM issues later in the year because of the difficulties sponsors will have in doing justice to their clients' shares in the after-market.

Mr Cohen and Miss Unsworth both expect an increase in bid and merger activity. "A lot of USM companies have carved out a niche for themselves in a particular market area, but some of them have found that, as they have gained maturity, the growth prospects have become less buoyant," he says.

"Sometimes, a change of

management of incorporation into a larger group offers opportunities for further growth."

colin Grimwood of County Bispoquot is the only jobber to make a market in all USM stocks, says the downward rating of USM stocks has put the market on a firmer footing than ever but he, too, expects Big Bang to hamper progress.

"When Big Bang comes, everything is going to be geared towards the leading equities, so I would be surprised if the USM index were to have outperformed the FTA by the end of the year," he says.

"But one spin-off of Big Bang which would welcome is that it is likely to encourage more research. A lot of the bigger brokers are talking about making markets in USM stocks, and if they do that they are going to have to start looking at them more closely."

Big Bang apart, however, brokers feel generally optimistic about the USM's prospects in 1986.

Fielding, Newson-Smith considers that because USM companies tend to be relatively small and, in many cases, young, they are more than averagely exposed to swings in the economy; and on most assumptions for the UK economy in 1986 the year is, therefore, likely to bring a crop of excellent performers.

Hoare Govett also looks forward to a good year in the light of the buoyant market for equities generally. "The broader spread of companies of performance of the index, as would any recovery in the electronics sector — although we would be concerned if the latter became too precipitate," says Geoffrey Douglas, head of Hoare Govett's USM research team.

"The new issues scene seems likely to remain active and we believe we will see an increase in the number of companies moving to the main market."

"Big Bang provides a number of uncertainties, as it does for the main market, but we believe that the established second-tier market fulfils a vital function in servicing the needs of smaller and growing companies and, for the discriminating investor, the opportunity of participating in that growth."

Richard Tomkins

COMPANY NEWS SUMMARY

TAKE-OVER BIDS AND DEALS

Table listing company bids, value of bid, market price, and bidder names.

INTERIM STATEMENTS

Table showing interim dividends and pre-tax profits for various companies.

PRELIMINARY RESULTS

Table showing preliminary results including earnings and dividends for several companies.

RTZ rides out the recession

"BACK already, Moley!" I exclaimed, as the furry figure materialised suddenly behind my typewriter in his normal manner.

It was only a fortnight ago that the mole had last appeared, interrupting my thoughts about mining prospects for 1986 with his report on the latest Australian gold rush in Queensland.

"Just called in on the way through after spending Christmas with my pals up-river," he replied.

"Have a good time?" "Not 'arf. Especially at the Boxing Day water sports."

"I'm glad about that but look, Moley, I still have to write something about mining investment in 1986."

"Not a lot to say." "Metal prices might rise a bit, but nobody is expecting much."

"The leading company chairman aren't." "S'right."

"There was a thoughtful pause. Then I said: "Mind you, in copper, at least, demand is still good. A lot of the highest surplus production capacity is closed and likely to stay that way. Stocks are coming down and some low-cost producers can make profits at even today's prices."

"Like Rio Tinto-Zinc," said the mole.

"Just so. What is more, the UK group is moving into new copper deposits that will earn good money, like the rich grade Neves Corvo operation in Portugal."

"And the huge La Escondida job in Chile well I told you about," added the know-all mole.

"Of course," I continued, "RTZ is far more than a copper stock and the group's big spread of other interests in mining, industry and energy shows why it has weathered the recession to the point at which it has cash available to pick up bargains that others are forced to sell."

"Hasn't done the price of the shares much good," sniffed the mole. "Fallen from a 1985 high of 685p to around 517p," he added, "which puts them on a yield of 5 per cent and an earnings multiple of less than 8 per cent on the basis of the 1984 results. And profits and dividend went up again in the first half of 1985."

"There's the force of market sentiment for you," I said. "How do you mean?"

"Well, when there's a lively bull market in UK industrial equities to play in, investors are not attracted by a stock which covers interests in South Africa and also in the crisis-ridden tin industry."

"These interests aren't so much, are they?" "No, Moley. RTZ has 5 per cent of its assets in Africa with only 2 per cent in South Africa and the total provided 7.5 per cent of 1984 net profits. It's chipped in just over 1 per cent."

shares. All the mines seem to be doing well, even if the metal price isn't all that exciting."

"This was true enough although, with interest rates still high and inflation subdued, there is little to tempt the speculative, or hedge, buying of gold which is needed to push up the dollar price of the metal."

Moley, who had been studying some price lists closely with the aid of a magnifying glass, commented: "Prices of the Canadian golds look on the high side and the Australians don't seem all that cheap, either. But some of the South Africans look tempting."

"Maybe, Moley, but the market has picked up from recent lows without any notable improvement in the all-dominating political situation. It would be nice to think that things will next better but, in the meantime, I feel that prices are very vulnerable to any political new shocks."

"Truth to tell," I added, "it is difficult to know what gold share to buy but I know you are keen on the developments in Queensland. So your Australian Elders Resonates at around

45p, with its 15 per cent holding in the dividend-paying Kidston mine and 25 per cent interest in the Strath discovery, could be a worthwhile holding."

"Eric," said the mole, conspiratorially, "I've got one for you, seein' as you're a sporting gent — what do you mean?"

"All right, my me."

"Malaysia Mining Corporation," said the mole triumphantly.

"What? The world's biggest tin producer, certainly, but in the middle of the worst crisis — still unresolved — ever to hit the industry. For the matter, the company wasn't doing all that well in the first half of last year before the tin market collapsed."

"I know all that," said the mole. "But remember, MMC has an effective stake of 17.7 per cent in Australia's Argyle diamond operation. This produced just under 3m carats in the first half of 1985 and provided 17 per cent of MMC pre-tax earnings in that period."

"Argyle has just moved into the second of two major phases of its operations, the AKI mine, which this year should work up to an annual output rate of 25m carats. That's a lot of diamonds, even if they are mostly industrial quality."

"It will be a big help to MMC in these tough days for tin. Although with big, low-cost dredges the company might be better able to ride out the storm in tin than some others," added the mole.

"Maybe," I replied cautiously. "Anyway," said the mole, "the shares are now only 22p compared with 55p earlier this year."

"So at least, one would know the downside risk on a small speculation," I said.

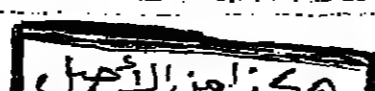
"S'right." "Well, why not?" Kenneth Marston

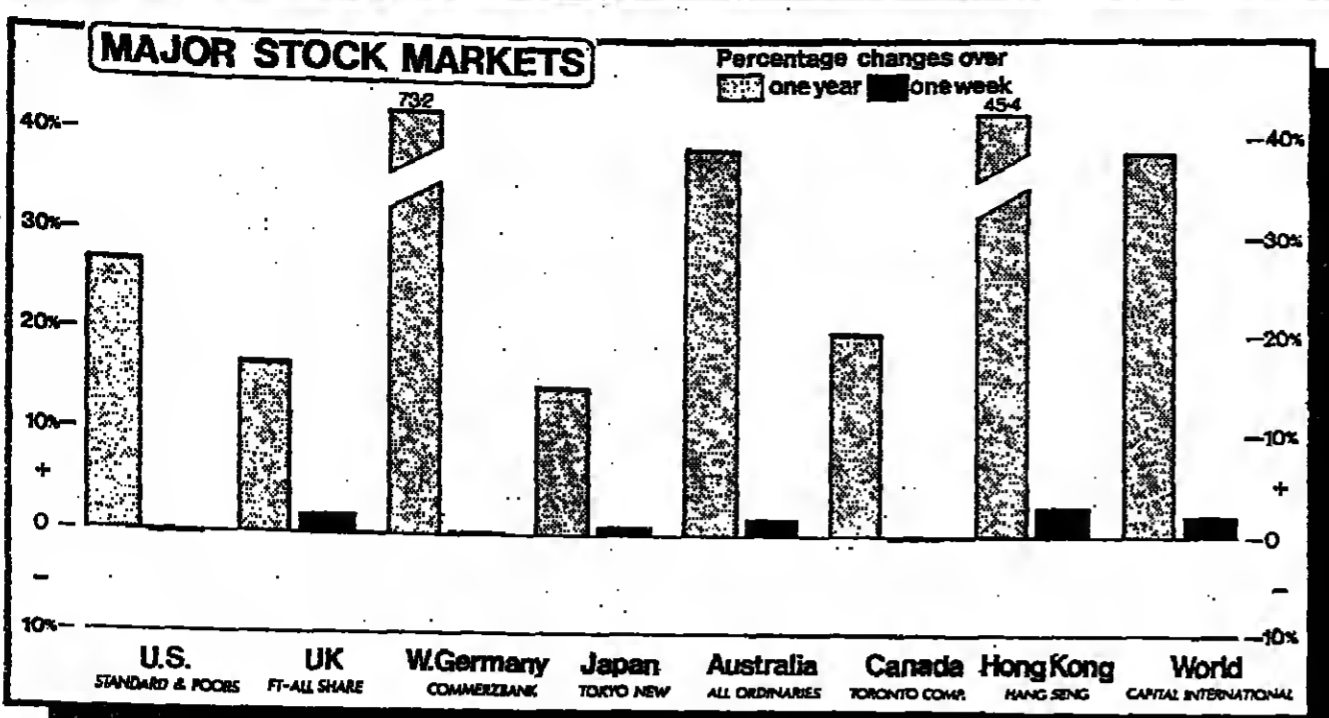
INTEREST RATES: WHAT YOU GET FOR YOUR MONEY

Table showing interest rates for various financial products including clearing banks, building societies, and national savings.

Table showing British Government Stocks with columns for rate, price, and yield.

Footnote explaining symbols and terms used in the interest rate table.





Unravelling the Nakasone Knot

THE END of the year on the Tokyo Stock Exchange was something of a dud.

For more than a decade year-end rallies have been as much a part of the landscape as cherry blossoms in the spring. Initially, the signs were good. The second week of December saw the Nikkei Stock Average up 320 points, with December 16 providing a time high of 13,183. But the rally then went dull, with the index slipping off for its week-end. The New Year holiday in a subdued mood and the index closing at an uninspiring 13,063.

It has been something of a dull year for the Tokyo exchange. In local currency terms, the exchange has advanced by about 13 per cent in 1985, while New York has surged by 28 per cent, West Germany by more than 60 per cent, and even London by 15 per cent. The lack of a sustained New Year rally, then, is at least consistent.

As usual, there are as many explanations for Tokyo's lacklustre performance as there are experts on Japan. Some, of course, insist that any market on a rating of 32 times historic earnings and a yield of 6.9 per

cent is too high, anyway. But those people miss an awful lot of excitement when they sell a share at 50 times earnings and it goes up to 250 times earnings—a common event in the land of capital gains. (Dividend income is taxed heavily in Japan.)

Others describe the problem as the Nakasone Knot. Japan's Prime Minister is under heavy pressure from outside the country to keep the yen strong and increase domestic spending, while, domestically, he is under pressure to reduce Japan's huge budget deficit.

It would take someone who is more than merely mortal to do all that, one broker commented dryly last week. So far, the 1986 budget gives little away and most Japan-watchers are still waiting to learn how Nakasone will untangle himself from these problems.

Meanwhile, a number of stocks do continue to outperform the rest, willy-nilly. Blue chips have bounced back from their summer slumps, with improvements of some 40 per cent in share prices. Most, though, believe the improvements have run their course with Hitachi, for example, not likely to sustain its Christmas high of ¥793. The stock closed ¥10

lower at ¥780 as the New Year holiday began.

Tokyo Electric Power seems to know no ceiling, hitting another all-time high last week of ¥2,890 before settling back at ¥2,890. Most of the electric power companies have announced large capital investment programmes, thanks mainly to new government incentives. Tokyo Electric's rise has brought along Kanzeno, an electrical engineering company which depends on Tokyo Electric for half of its sales. It hit an all-time high last week of ¥3,120.

The hope of increased domestic spending is still filling a variety of real estate, warehouse and railway stocks. Korakuen, a major operator of amusement parks believed to be rich in hidden real estate assets, hit a peak of ¥819 last week. In March, the stock was trading at around ¥400. Now on a historic pe of 71, however, Korakuen would probably have to discover a cure for AIDS to go much higher.

Technology, of course, con-

tinues to be another area of activity. The new generation of "smart" credit cards is putting life into stocks like Dai Nippon Printing and Toppan Printing. The latter, at around ¥1040 and a pe of 27, is considered to be among the leaders in this growing area of consumer electronics.

With the market closed until January 6, then, so much for the Year of the Ox. The New Year of the Tiger does not look like opening with great promise. Economic growth in Japan is slipping down to under 3 per cent; the strong yen will hurt many exporters; corporate profits are not expected to do much better than inflation; and the political scene is murky, with Nakasone's continued leadership of his party in doubt depending on whether he runs for another term of office.

"I would be worried if the market doesn't pick up substantially by March," said one foreign broker in Tokyo. "If it doesn't pick up by then, it won't."

Emphatic words considering that the Tokyo market continues to confound even its most ardent admirers. But, then, that's half the fun.

Tokyo

Carla Rapoport

IF WALL STREET investors made a New Year resolution, it appears to be to stay with a stock market which has served them so well over the past six months.

Despite the traditional year-end portfolio dressing, which made for some erratic movements in the Dow Jones Industrial Average, the market's underlying mood remained confident—spurred by undimmed hopes of an early Federal Reserve Board discount rate cut.

The tenor of analysts' predictions for the early part of 1986 has been generally bullish, and the next few weeks will see the start of the flood of final-quarter results. These are expected to reflect the underlying positive factors, including the lower interest rate environment and the decline in the dollar.

While the results' season will kick-off with hoped-for gains by most of the major US banking groups, Wall Street will be watching for International Business Machines' (IBM) results as a key indicator of the fortunes of industrial America.

In a curtain-raiser to the US high-tech sector's earnings results, National Semiconductor reported a \$34.6m loss in its

second quarter, a slight improvement over its fiscal first quarter deficit but still indicative of the severe price competition and weak demand for chips. National Semi said it had detected signs of some market improvement but warned that this was "just the beginning."

CSX, the US railroad and natural resources group, reported a \$118m fourth quarter and \$460m full year net loss, mainly reflecting a \$954m pre-tax restructuring charge; but said that excluding this charge, fourth-quarter earnings increased a sparkling 88 per cent despite slightly lower revenues.

The merger boom which dominated the US equities market last year got off to an early start in 1986 with Occidental Petroleum arriving as a "white knight" to the rescue of

MidCon, the US energy pipeline group, on New Year's Day with a two-step \$3bn cash and paper agreed bid.

While Wall Street expressed mixed views about the proposed merger—with some analysts suggesting it will increase Occidental's debt burden while leaving the Los Angeles oil group vulnerable prices—the bid appeared to deliver a knock-out blow to WB Partners' hostile takeover attempt for MidCon. Early yesterday WB Partners terminated its tender offer for MidCon shares.

In the meantime, the bid battle for beleaguered Union Carbide heated up with GAF

Rate cut hopes spur optimism

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Wall Street

Paul Taylor

IT WAS a fairly sombre New Year gathering of the Chester family at Woking. Christmas seemed to have cost a lot more than last year in spite of low inflation.

So it was no surprise when the conversation round the dinner table turned towards money rather than the lack of it.

David Chester set the ball rolling. "I don't know about the rest of you," he said to his fellow guests. "But 1985 looks like starting on a difficult note. Elaine went a bit mad on presents this Christmas and now I'm faced with paying extra school fees for Stephen. Not much hope of a decent rise for the moment, at least with the stronger pound making it tough work selling engineering equipment abroad. I suppose I'll have to borrow some money to tide us over."

He turned to his brother-in-law. "You're in the City, Bernard. Interest rates seem to have come down a bit, despite all the moaning by the CBI. Where is the cheapest place to borrow these days?"

Bernard was cautious. "He didn't like to admit that he dealt solely with corporate business lending, but he was a busy man, and he was a bit of a snob about personal finance. "Well, I suppose the cheapest way to borrow is still by an overdraft. But it depends on how much you want, over how long a period, and for what purpose you want to borrow the money. Also, on how well you get on with your bank manager, and your general financial standing."

"I'm not so sure," intervened Robert, who, as an investment adviser, was nettled by Bernard's attitude. "I have an opinion about that. The problem these days is that the banks, for all their so-called 'free' service, are charging the earth if you have an overdraft."

It depends on how much you use the bank for cheques and something like 25p a time that can add a tidy sum to the interest you're paying on an overdraft. Say you average 10 transactions a month, which is quite small; you will be paying an extra £2.50 monthly or £30 a year even if you have an overdraft of only £100. That's in addition to the interest which can vary between 2 per cent above base rate—11.5 per cent annually at the moment—for favoured customers, to 7 per cent over base if your bank manager doesn't like or trust you."

Robert then moved into his professional spiel. "It really depends on what you want to borrow the money for. It might even be worth looking at a personal loan. At least you don't pay overdraft charges, although the banks do charge a commitment fee for setting up the loan. The size of that fee depends largely on the manager."

"Personal loans are expensive — a Barclaycard, for example, costs you 20.625 per cent interest a year."

If you're looking for an unsecured loan—for buying a car, or paying for a holiday—the bank manager will certainly try to push you into a personal loan or one of those cheque accounts with automatic borrowing limits where the interest rate is higher still—22 per cent. It's well worth shopping around these days, both between banks themselves and with alternative money lenders like finance companies, although you have got to watch carefully for hidden charges.

"What you should really find out is the APR — that is the annual percentage rate — which all money lenders now have to state, because it is supposed to provide a true comparison of the real cost of borrowing, including different ways of calculating the interest, and any extra charges."

"The trouble with bank

John Edwards introduces the Chester family and reports on their search for cheap loans

1985 excess—and New Year resolve

DAVID CHESTER...42 years old; marketing director of engineering equipment company earning some £30,000 a year plus perks.

ELAINE CHESTER...David's wife, 36 years old, works part-time for local solicitor.

STEPHEN...their 13-year old attending minor public school.

HELEN...their 8-year old daughter at local preparatory school.

GERALD...David's older brother, who has taken over running the family estate agency business.

ROBERT...David's younger brother who has set himself up as an insurance/investment advisor.

BERNARD...aged 50, merchant banker who is married to Penelope, one of Elaine's three younger sisters.

BRIDGET...another of Elaine's sisters. Aged 29, she is an unmarried civil servant and career woman.

HUGH...David's father, retired estate agent, married to Kathleen.

ALICE...Elaine's widowed mother, living in Hampshire by herself.

managers," interposed Gerald, David's older brother, who now runs his father's estate agency. "Is that most of them forget they are in business to lend money. They're so scared of incurring a bad debt and being kicked by their head office. Their head office should be kicking them for turning perfectly trustworthy people down half the time simply because they can't provide the right collateral. It's a question of size. We all know that the banks are the biggest mugs of all—look at the billions they have lent to third world countries which have absolutely no chance of paying back."

"That's a bit different," commented Bridget, one of Elaine's sisters—unmarried, a professional civil servant. "We've got to lend money to developing countries or the people there would starve and not be able to buy David's engineering machinery."

"I don't see the difference," said Helen. "They're all borrowing money."

"Yes," said Bridget. "But it all depends, as Bernard said earlier on, why you want to borrow money and over how long a period." "You're quite right, dear," said Elaine's widowed mother, Alice. "You just try, at my age asking the bank for the smallest possible loan, and see what kind of reception you get."

"You could always raise money on your house," Bernard pointed out. "There are all kinds of home income plans for older people like yourself."

"Oh, I wouldn't do that mother," Elaine hastily intervened. "It all sounds a lot too risky."

"Of course the cheapest way to borrow money these days," said Robert, anxious to establish his investment advisory role, "is for a mortgage or home improvements. According to a publication we get in the office, called Blay's Mortgage Tables, some foreign banks and smaller building societies are only charging 12.5 per cent on straight repayment loans. One of the bigger societies too, Cheltenham and Gloucester, charges not much more at 12.625, while most societies are at 12.75 per cent. Bank mort-

But generally the checking up is pretty slack.

"In any event, there's nothing to stop someone obtaining a loan for genuine home improvements, while using money accumulated for that purpose to buy a car or take a holiday instead. There's nothing wrong when buying a house in taking a mortgage big enough to leave you some 'spare' cash you can spend any way you like."

Robert came back in: "The building societies are a bit more cautious too these days. Leeds Permanent, for example, is temporarily at least—shelved plans to push consumer loan business but some of the smaller societies are more aggressive. Bristol & West last year launched a special scheme under which they offer non-property based loans but charge a 3 per cent differential over their base rate of 12.75 per cent. This makes a nominal rate of 15.75 per cent but with various charges taken into account the APR works out at over 19 per cent for a short period loan and 18 per cent for repayment over 10 years."

"The Skipton Building Society has gone even further. It only charges 1 per cent above its base rate, also 12.75 per cent, for remortgage loans that the Society says can be used for anything from buying a Lamborghini to a dream holiday, or setting up a business venture. The Society claims that borrowers can spread repayments over a much longer term at low interest rates. In fact, after including fees, the APR works out at 16.9 per cent over 25 years, but rises to 21 per cent for a 10-year repayment."

"Apart from the question of honesty, the problem is that mortgage loans are really designed for long-term, not short-term, borrowing," Bernard commented.

"The cheapest way I know to move money through a 'gold' card. With my American Express gold card I can borrow from Lloyds Bank up to £5,000 with no questions asked, at a fixed rate of 2.5 per cent above base rate. That means a total interest of only 14 per cent at present. Try and beat that."

"That's all very well for you," said Bridget. "But you have to borrow £25,000 a year to qualify, and even then many of my friends have been turned down even after being asked to apply. What's more, there's an annual subscription fee of £20, and an introductory fee of £50, so it's really quite expensive."

"Well, it still does me nicely, thank you," Bernard commented. "I'll have to save the £50 by using my Gold card account to pay off amounts outstanding on my other cards, which charge ruinous interest rates. Access or Barclaycard are a very expensive way of borrowing. They charge 2 per cent a month, which works out at an APR of 26.80 per cent. I suggest you all pay off any credit cards debts you clocked up over Christmas. Otherwise, they'll cost you a fortune."

David Chester ended the New Year party in a thoughtful mood. Should he apply for a Gold card, which would be useful when travelling abroad, too, but would almost certainly encourage extra spending?

Or should he remember some vital home improvements that need to be done? He'd used up his £20,000 tax relief allowance already, but it might still be worth it, although there was a lot of paperwork involved which could take time.

Perhaps, after all, it might be best to grovel to his bank manager to get the lowest overdraft rate, and make sure that Elaine and the rest of the family cut down on the spending.

The Chester family will return.



Cannon comes to the market

THE New Year has got off to a good start for home buyers with news of a new and cheaper source of mortgage funds. Cannon Assurance, one of the smaller unit-linked life companies, has entered the home loans market offering mortgages of anything between £15,000 and £150,000 at a flat rate of 12.75 per cent (13.6 per cent APR) including life cover for what is effectively either an endowment or pension mortgage. The rate of interest is the same as the major building societies are currently charging on repayment mortgages but is half a percentage point less than they charge for endowment mortgages with life assurance.

Cannon home loans are "interest only" mortgages, the capital being repaid at the end of the term from the proceeds of either a unit or pension linked plan. Both include life insurance to cover the loan. With the unit-linked option there is a choice between a low start policy, on which premiums are lower in the early years, or a policy on which the same premiums are paid throughout the term of the loan.

Cannon mortgages can be taken out over periods from 10 to 35 years. The company will advance up to 95 per cent

Pru moves into property

THE PRUDENTIAL is moving into the estate agency business. It is relaunching as Prudential Property Services (PPS), the East Anglian estate agents, Ekins, Dilley and Handley, which it bought last June.

However, the relaunched company will offer a variety of new services, including a "chainbreaking" scheme. For homebuyers whose purchase awaits the sale of their own house, PPS will guarantee the sale so long as certain conditions are met. PPS will also have a specialist mortgage advice centre at all its major offices, and through a link with Abels, a removal company, will also help its customers move home if requested.

Loyal to the white rose

IF YORKSHIREMEN can stay loyal to their cricket team in spite of everything, they may keep their money happily in a Yorkshire unit trust even if it does not perform. But Yorkshire General Trust claims that the regional companies it will invest in have in fact performed better than the rest of the stock market.

Charity begins with sifting out

SIFTING through the mass of financial literature to pick out the best and most impartial can be a daunting task. A new charitable organisation has been set up to do this, and to act as an information resource centre in the field of financial management.

The Money Management Council has as its formal aim "to advance the education of the public in the efficient management of their own personal financial affairs." It

First in the world—and free

BRITISH BANK customers now have a banking ombudsman to whom they can refer unresolved disputes with their bank. On Thursday Mr Ian Edwards-Jones QC took up the role. He was formerly a Social Security Commissioner, dealing with appeals from the public over social security benefits.

The services of the world's first banking ombudsman, entirely free, will cover all personal banking services apart from those provided by travel agents, estate agents and finance houses. Commercial decisions relating to lending will also be excluded so there is no point complaining to the ombudsman if you have had your request for an overdraft or personal loan turned down. In addition cases should not be referred to him until existing procedures for dealing with complaints have been exhausted.

The ombudsman then has the power to make an award of up to £50,000 against a bank. This is binding on a bank but if customers reject

Insurance

So they shall reap

THE EARLY days of each new year are, among other things, the time when traditional life companies assess their financial position and announce the bonus rates on their with-profit life and pension contracts.

So it is a time when those investors who took out conventional with-profit policies many years ago learn what they will reap from their savings contract or what lump sum has accumulated on their pension contract. With the benefit of hindsight, they will know whether they made the right choice of contractor and life company all those years ago.

Investment conditions in 1985 were good for UK equities, moderate for gilts and property, and moderate to good for overseas investment. So what can investors look forward to in the way of bonus declarations?

The actual bonus rates depend first on the investment performance of the funds and the ability of the life company to control costs; second, on the amount of profit earned that the company, acting on the advice of its appointed actuary, is prepared to transfer to

policyholders (and shareholders). Actuaries are being held back from giving a full distribution, thus paying higher bonus rates, because the returns on new money are barely supporting current bonus levels, and a fall in interest rates could bring about pressure for cuts in bonus rates.

No life company wants to be the first to announce a cut. So actuaries are likely to recommend unchanged bonus rates that can be maintained for several years rather than increased rates that could be cut back again in a year or two.

Bonus rates structures come in many forms, but there are two main elements: the reversionary bonus, added each year to the policy benefits, and the terminal bonus, this is added when a life policy matures or becomes a death claim or when a policy starts paying out and the pension is about to begin.

Investors can expect the basic reversionary bonus rates to remain unchanged this year and for any increase to be in the terminal bonus rate or in

Insurance

So they shall reap

the form of a special bonus payment.

Two major life companies and some medium ones have already made their declarations by the turn of the year—headed, for the second year running, by Norwich Union.

The pattern of unchanged reversionary bonuses is already emerging. Some companies, like Life Association of Scotland, Royal London Mutual and Gresham Assurance have increased all terminal bonus rates. On the other hand, Friends' Provident has only increased terminal bonuses on pension contracts and will review the position again in April.

Norwich Union has again set the pace in with-profit performance, as it did last year. In the final outcome only two or three other life companies paid out more. Progress on with-profit performance for both life and pension contracts will be given in later articles. Performance to date is shown in the table.

Eric Short

Effect of current bonus declarations by traditional life companies man aged 29 at the time of taking out a with-profits endowment, paying £30 a month. Comparison of payouts for maturity in January 1986 against maturity in December 1985.

Company	10 year Term		Increase %	25 year Term		Increase %
	Jan 1986	Dec 1985		Jan 1986	Dec 1985	
Norwich Union	7,806	7,795	0.2	43,594	41,329	5.3
Friends' Provident	7,667	7,626	0.5	41,692	40,693	2.4
Equity & Law	7,541	7,243	2.7	39,407	38,744.5	1.7
Life Association of Scotland	6,339	5,883	7.6	30,615	26,215	14.5
General Accident Life	6,482	6,398	1.3	34,320	31,939	7.8

FINANCE & THE FAMILY



John Hodson



Richard Bernays



Chris Tracey



Trevor Pullen



Harry Littlefair



Peter Scott



David Glasgow



Ian Sampson

Fund managers' forecasts for 1986

JOHN HODSON, investment director of Target, is cautious about the UK and nervous about the reliance on companies that depend on consumer demand. He is happier about America: "I don't know the duration of the run, but at the moment it has a good head of steam."

"We are still quite bullish of stock markets generally," says Richard Bernays, chairman of Mercury Fund Managers, "and our favourite is still Continental Europe." He believes there has been a fundamental change in European stock markets through the emergence of the domestic investor, which is backing up the cyclical return in their economies.

The US market has the best director at the Prudential, favours Germany, Holland and Switzerland. "We can see better intrinsic value in Europe than in other markets," he says. In the UK he expects more strength until the Budget, but political fears and cash needs for new share issues could weaken the stock market after that.

Trevor Pullen, investments director at the Prudential, favours Germany, Holland and Switzerland. "We can see better intrinsic value in Europe than in other markets," he says. In the UK he expects more strength until the Budget, but political fears and cash needs for new share issues could weaken the stock market after that.

A mundane year is forecast by Harry Littlefair, investment director of Allied Dunbar, with the UK and US likely to be the best of the major world stock markets. He sees a modest potential for London, with profits likely to rise by around 10 per cent as inflation and interest rates continue to fall.

Peter Scott, investment strategist at Gartmore, thinks the market is still cheap, in spite of the recent upturn, and expects profits growth and a sharp recovery in some of the hunched out shares with attractive ratings that can be found in abundance. Scott is not bullish about the UK, but thinks it is unlikely to match the outstanding performance achieved in the year up to the end of November.

Price/earnings ratios in domestic currency terms are still very reasonable by comparison with Japan. Glasgow also sees a potential rise in the value of the Deutsche Mark as a plus factor. The outlook in the UK is reasonable, but with the risk of further decline in oil prices and of political uncertainty. Investment cash flow will favour a further rise, with new funds likely to exceed the supply of new equity.

European economies," says Ian Sampson, managing director of Schroder Unit Trust Managers. He also finds the American market attractive. Sampson believes that the US dollar is likely to strengthen against the pound, which is now overvalued, so the sterling-based investor stands to make good gains from investment in the US. If the Singapore market continues to fall much further after its catastrophic closure in December, it might be a good place to put some "fun money" that it wouldn't do investors too much harm to lose. Hong Kong might offer the same sort of opportunity—for punters only.

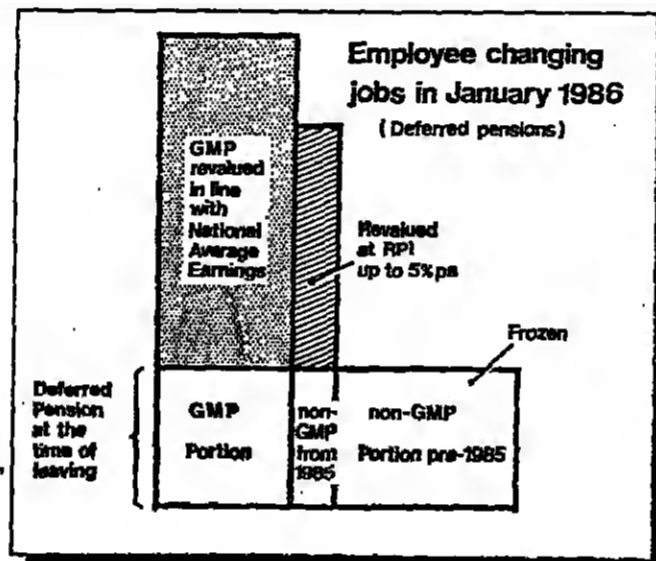
Pensions

Mobile confusion

THIS YEAR sees the start of a new pensions deal for employees who change jobs. For nearly five years, the Government discussed the problem with the pensions industry, before bringing in the 1985 Social Security Act. The provisions of this legislation came into force at the beginning of this year.

This is the start of the complications. Under pensions legislation an employee with at least five years pensionable service cannot take a refund of contributions, except for those contributions made before April 1975, providing the scheme rules allow them to do this.

length of service and salary at the time of leaving, and is paid when the ex-employee reaches the pension age under the scheme. So an employee earning £20,000 leaving an employer after 15 years in a scheme which pays pensions at 65 for men at the rate of 1/60th of final salary for each year of service would have a deferred pension of £3,000 (15/60 x £20,000) payable when he reaches age 65.



There is no obligation for pension rights earned before 1985 to be revalued. This is entirely up to the individual company schemes. Under the disclosure requirements in the 1985 Act, an employee changing jobs has to be provided with a statement of the benefits available to him or her.

Advertisement for City Fine Wine PLC. Includes text: "This advertisement does not constitute an invitation to subscribe for shares." and "OFFER FOR SUBSCRIPTION under the terms of the BUSINESS EXPANSION SCHEME of up to 500,000 Ordinary Shares of £1.00 each at £1.50 per share payable in full on application."

Taxation

When 'tax-free' is trouble for those working abroad

"TAX-FREE" are the magic words which accompany many advertisements for jobs abroad. However, these words must always be treated with caution. The income may be tax free in a country abroad, but there are many unexpected happenings which may cause UK tax to be payable.

David thought he would overcome any difficulty about not being abroad for 365 days by stating that he had left the country on June 4 three days earlier than the actual date. This was particularly unfortunate. The tax office wrote to say that this could not be so; David had called at the tax office on June 5 to see about the repayment of the PAYE paid in that tax year. David had forgotten.

pean community. Joe and his wife had one child. With the building society's permission, Joe arranged to let his house, carefully instructing a competent solicitor to draw up a tight letting agreement with an American-owned company who wanted accommodation for a visiting executive for two years.

Anyone taking a job abroad for more than 365 days would be prudent. During the first year, to put aside a portion of his income in case liability to UK tax arises. Unfortunately, it is not only taxation which requires careful thought. Some other matters can be even more disastrous. Here are two real-life examples.

The Inspector of Taxes then asked for proof of departure and return to the UK. He also asked to see David's contract of foreign employment. The Inspector then determined that David had not been out of the country for 365 days, and therefore was not eligible for 100 per cent tax relief.

Neither Joe nor the director responsible for the proposed Middle East work had any experience of working abroad. Difficulties arose as soon as Joe and his family arrived. There was no accommodation immediately available for them, and they were forced to stay in a hotel. Further difficulties arose when Joe and his director met the representatives of the construction company; there were unforeseen problems of working arrangements which they were not able to resolve.

David was an engineer, unmarried. He decided to try a job overseas attracted by the high salary and the chance of doing something different. He took a year's contract to go to the Middle East: £12,000 tax free, with free accommodation and keep. His employers said that the "tax free" position occurred by no tax abroad on his salary and no tax in the UK because he would be out of the country for 365 days.

At that time David was entitled to a deduction of 25 per cent for working abroad, but the tax bill still exceeded £2,500—a high price to pay compared with the cost of spending one night in Paris. It is essential to be out of the UK at midnight on day 365. (Some visits between day one and day 365, are permitted).

Joe's solicitor had drawn up a solid contract for the letting of his house. The tenants' position was clear: they were to be in Joe's house for two years. Joe and his family had to find other accommodation. In addition Joe had to pay tax on the income from the lettings of his house and could get no relief for the expensive furnished property he had to rent for his family for the following 22 months.

The four reserves in a business team

A BUSINESS has three possible sources of funding: the owners or shareholders; moneylenders and financiers; or the business itself.



The money put in when the shares are first issued is shown as the issued share capital. When one shareholder sells to another, it has no effect on the share capital figures. But if the company chooses to issue further shares, then the share capital figure will be increased by the nominal value of the shares issued.

made up of all the long- and short-term borrowing, including any bank overdrafts. Having established the total of borrowed and shareholders' funds, all that remains is to work out the debt/equity ratio to find out if a company is geared highly or lowly. In going so, it is important to remember the financial climate in which the company is trading, and the gearing ratio of its competitors.

He thought it ridiculous to worry about one day, so when he arrived at Paris and was told that a connecting flight to Heathrow was available immediately he took the flight and landed in the UK just before midnight, not realising that for tax relief purposes a person is only considered absent from the UK if he is absent at the end of the day.

Joe was technical manager of a specialist department of a UK construction company which had never operated outside of Britain. But it had agreed to supply the specialist services of Joe's department to an established Middle East company. It was arranged that Joe would take charge of the Middle East operation, the initial phase was expected to last about five years. Joe and his wife were particularly keen to go to the Middle East; they had a number of friends who worked there, enjoying high tax free income, free living accommodation, and free children's education in a Euro-

Advertisement for General Portfolio. Includes text: "PREMIUM SHARE ACCOUNT NET RETURN 10% (PA) GROSS EQUIVALENT 14.29% (for basic rate taxpayers)".

Advertisement for "Can Europe catch up?". Includes text: "A bound reprint of a series of articles 'Can Europe catch up?' and 'Towards a Free Trade Community' previously published in the Financial Times during 1985...".

Advertisement for Nationwide Building Society. Includes text: "Placing of £20,000,000 12 per cent Bonds due 12th January 1987".

Delay lawful if nobody objects

I was interested in the question of answer under the heading "Accounts are late" on November 30. I am the chairman of a limited company and in the management of a block of flats on the same terms. Normally the accounts are sent out with the statutory notice of the annual meeting but this year they were delayed until two days before the meeting. At the meeting one shareholder argued that the late circulation of the accounts was contrary to the Companies Act, the provision contravened not being stated. I was advised by the then company secretary, a representative of managing agents who have since been replaced, that late circulation of the accounts was permissible provided that no shareholder objected. I was further advised that, as objection had been taken, I should proceed with the remainder of the agenda but adjourn discussion of the accounts to a later date. This I did. I now infer from your reply that both the individual shareholder and the company secretary were wrong in their respective statements. I should very much welcome your comments.

Can anything be done to save the loss of this £1,000? There is no redress open to you in law, since you contracted to leave the sum invested for five years or to accept the penalties if you withdrew the investment before the expiry of the five-year period. We suggest that you write to the board of the society and point out the unduly heavy penalty which will be imposed on you and invite the society to waive the interest penalty.

Possible breach of trust

If the managers of a unit trust ignore the provisions of the trust deed and grant partial rebates of the annual fee to certain holders of units, then classify these rebates as "administrative costs" and finally invoke the increase in these costs and consequent lack of profits to persuade unit-holders to vote for an increase in the annual charge, what legal steps can be taken to have the voting declared null and void? If the facts can be proved to be as you state the remedy of the unit-holder would be to commence proceedings in the Chancery Division of the High Court for a declaration that the matters complained of are in breach of trust and for directions that the trustees make good all losses to the trust fund out of their own pockets.

Brewery landlord need not sell

My parents have been tenants by way of, initially, employment and then retirement, of a house owned by a large brewing company, for more than 40 years. As the brewery decided to increase the rent after 22 years, I offered to purchase the property to ensure that my parents did not have any further shocks as they got even older. The company has in effect refused to sell. Is there any way that I can get it to change its mind? There is no way that you can require the landlords to sell the reversion to their tenants.

Penalties for late transfers

I was a member of my previous company's pension scheme which I am told by the broker concerned has amassed a sum of money to the region of £30,000. I left the construction company in December 1984 and the company went into receivership in February this year. I formed a limited company and contracted the broker dealing with the pension scheme to have the pension transferred to my new company along with the lump sum. I have since January this year been

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

attempting to get the new pension scheme running. I am able to obtain a loan-back from the scheme and without this my company's present cash flow is adversely affected and consequently not trading at the level anticipated. The broker is blaming the receiver for holding up the transfer, the insurance company and I am getting the run around from all concerned. Is there any professional body I can approach in an attempt to release the cash in the fund. Regulations have just been issued under the provisions of the 1985 Social Security Act providing for penalties for late payment of transfer values in respect of employees who leave service after January 1 1986. Unfortunately this legislation will be of no benefit to you. Your only remedy is against the trustees of the construction company pension scheme, of which you were a member, if you could prove that they were acting unreasonably or negligently. A trust fund which constitutes the asset of a pension scheme exists independently of the company establishing the scheme and therefore the receiver for the construction company should not be involved unless the company owned money (possibly a combination of employee and employer contributions) to the scheme at the time the company went into receivership. From what you say it would appear that the trustees have re-insured all or part of their liability with an insurance company. The insurance company should pay the transfer value to your new scheme as agent for the trustees. It is possible that the insurance company has delayed payment in the hope of recovering arrears of premium from the receiver. The answer is to try to persuade the insurance company to pay a partial transfer with any balance later on otherwise you could wait for years for any payment at all. You should ask the broker for the name of the insurance company and write personally to the chief general manager. You should also point out the names and addresses of the trustees either from the broker or from the insurance company or from the receiver and write to each of them. There could be a problem if the insurance company has made you your former employer the sole trustee of its pension scheme. Many insurance companies have done this in the hope of cutting their administrative costs, but it has obvious snags when a company goes into liquidation, as you can see. Even so the receiver, if he is now acting for the company, should treat trust money quite separately from ordinary money. This does not represent part of the assets of the company. Delay could occur where the receiver is so weighed down dealing with the rest of the paperwork of winding up the company that the pension scheme gets overlooked.

Misery money on a sliding scale

Ski insurance

ANYONE setting off for the ski slopes this winter will undoubtedly have spent a good deal of time and money fixing themselves up with appropriate skiing gear. But how much thought will they have given to insuring themselves against all the hazards of the piste?

It is clearly foolhardy for anyone to venture on a skiing holiday without insurance cover. But factors peculiar to this type of holiday make it far more complicated. Given that 98 per cent of those booking a skiing holiday through tour operators will use schemes which the operation offers it is vital to establish just what the insurance covers and, if there are deficiencies, to look at an alternative policy.

Although it is popularly assumed that broken limbs are the most important item to insure against, in fact only three to four per cent of skiers hurt themselves sufficiently to warrant medical treatment. New design ski boots which are worn higher on the leg, have reduced accidents though when they do occur injuries tend to be more serious, involving both bones just below the knee rather than ankle injuries.

A much higher proportion of claims—as much as half of the total—result from cancellations. Baggage claims, because of the high cost of ski equipment, also tend to be higher than in other forms of travel. So what should you be looking for and where can you get the appropriate cover?

Several travel insurance companies offer ski insurance as an add-on to their normal policies usually doubling (or more) the premiums and sometimes limiting medical expenses cover. This includes the Supercare Plus insurance cover normally offered by travel agent members of the Association of British Travel Agents (ABTA) as an alternative to tour opera-

tors' own schemes. The same goes for the clearing banks—Barclays, Lloyds and Midland—although NatWest last month launched a separate winter sports scheme.

You can also buy cover from traditional insurance companies such as Cornhill General Accident and Prudential. There are also ski insurance specialists. These include T. L. Ireland and Hogg Travel. But the best-known is Douglas Cox Tyrie, which the Ski Club of Great Britain recommends and is widely used by "serious" or racing skiers. It is by far the largest operator in the individual or "retail" market and is also used by 30 or more tour operators.

When seeking out ski insurance there are several aspects of cover to be evaluated: Medical expenses: Given that ski insurance policies do not include UK expenses the level of cover offered under many schemes is far in excess of what is actually needed for medical treatment in Europe. Experts in the field reckon that cover of up to £50,000 is more than enough. But ABTA's scheme, for instance, provides cover of up to £1m and Barclays up to £500,000.

You need only a minimum cover of £15,000 for skiing holidays in the European Community but you will need a much higher cover if you plan to go skiing outside the EEC, and that includes Switzerland.

The recommended minimum is £100,000, and more like £250,000 if you plan to go skiing in the Rockies or elsewhere in the US. Most schemes will not cover you for any form of racing so beware of participating in what may seem a tame event on the nursery slopes if it could in any way be classified as a race. Check that the insurance covers the expense of the various rescue services, including "bloodwagon" (rescue sledges), helicopter, air ambu-

Cover provides	D. Cox Tyrie	Thos. Cook	Amex	Barclays
Medical	50,000 100,000	1m 10,000	1m 500,000	500,000 3,000
Cancellation	500 1,000	3,000 1,000	3,000 3,000	500,000 500,000
Third party	500,000 500,000	500,000 500,000	500,000 500,000	500,000 500,000
Personal accident	125 175	15,000	15,000	15,000
Baggage	5,000 30,000	750 1,000	1,000 1,000	1,000 1,000
SKIs	200 300	250 200	200 200	200 200
Money	200 300	250 200	200 200	200 200
Delayed departure	60 60	60 60	60 60	60 60
Premium Europe 8 days	21	24	22.57	26.25
				(15 days) (£10 days)

* Annual premium covering all travel. † As baggage, ‡ included as medical, § included as cancellation. ¶ 10 days.

lance, or whatever: and access to 24-hour medical emergency service. It is also advisable to use a scheme which has a link with one of the medical assistance companies such as Europe Assistance or Trans-care. Such an organisation will take responsibility for settling the medical bills and claiming back the expenses from the insurer. Otherwise you have to cough up the funds on the spot and then reclaim them later.

Do not be tempted to cut costs and opt for local insurance schemes such as the French Carte Neige. Such schemes are intended to supplement domestic medical facilities for local skiers and as such have limited medical care which can be as low as £600.

Personal accident: This provides benefit in the event of death or permanent injury, such as the loss of a limb or eye. The level of cover is usually very low, lower than for other travel policies. Generally it is around £5,000 but can be higher and is usually only paid out for specific injuries. They do not usually cover loss of earnings while out of work, except by specific policy which is usually expensive. Douglas Cox Tyrie in conjunction with the British Ski Federation have launched a new separate personal accident scheme for this winter season. This includes loss of earnings insurance, with three scales of cover up to a maximum of £100,000. Cancellation: This insures you against having to cancel your holiday booking through your own illness or injury or that of a close relative. But beware, many schemes available for individuals, as opposed to tour groups, have upper age limits for this cover. In any event be covered for the full cost of the holiday. You are unlikely nowadays to find any scheme which cover "loss of enjoyment" if your skiing holiday is cut short due to injury and you are unable to use the facilities you have paid for. Douglas Cox Tyrie covers loss of use of a ski pass (which would normally cost around £100 for two weeks usage) for medical reasons where the local ski lift company does not itself reimburse you. Less or breakage of skis: This is an area where many schemes fall down. Some will only cover loss of skis as part of personal baggage insurance which usually has a limit of £200 for any single item. Some will not cover replacement of skis broken in use. Where they do they may only reimburse the cost of one

ski though you can only buy skis in pairs! Some schemes will not cover damage to hired skis though this may be covered through the hiring company. Personal liability: Covers you against legal liability to other people if you cause an accident; £500,000 is a fairly standard level of cover. Personal baggage: Cover varies from £750 to £1,500 but there are often ceilings of £200 for any single item and on personal cash.

Delayed departure: Most schemes will pay you "misery money" on a sliding scale if your return flight is delayed by more than 12 hours, usually up to a maximum of £80. Douglas Cox Tyrie also covers you for additional expenses from an "interruption" such as an avalanche, road blockage or other such hazard.

It is clearly important to take a close look at the ski insurance schemes on offer and worth shopping around on price as the accompanying table shows. Some schemes throw in extras and there are often cheap packages for families. American Express card-holders who take at least one other holiday a year will find the Centurion Assistance scheme is a good buy at an annual premium of £45 a year.

NatWest, making its debut in this specific market, is undercutting most other schemes, at least for this season. The premium for an adult is only £16.95 for up to ten days and £19.85 for up to 17 days. For this you get medical expenses cover of up to £250,000, personal accident up to £5,000, baggage cover up to £1,000, cover against ski loss or breakage (as well as the cost of hiring skis) up to £60, replacing lost or damaged skis, and up to £75 for the loss through injury or illness of pre-booked costs of ski packs.

Margaret Hughes

Two bites of the cherry

Back in June 1982, my wife and I entrusted a large sum of money to a building society. The investment (joint) was spread over five years, to expire in June 1987. The interest return on this investment has never been satisfactory! And, in this year in particular, it went from bad to worse! So much so, in fact, that we decided that enough was enough! And that we would withdraw the money! Now, however, we find that withdrawal is subject to two clauses: clause (a) 90 days notice (fair enough!) and clause (b) imposing a 90 day penalty, because of early withdrawal! These clauses, which are so heavily loaded in favour of the society, strike us as giving us two bites of the cherry. We are willing to abide by clause (a), but clause (b) is viciously greedy! As clause (b) is vague in cost as £1,000 (approximately), naturally we are very angry!



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PROPERTY ARTS

Retirement needs are not identical

THERE IS a shortage of retirement homes in Cheshire, Newcastle, Norfolk and Lincoln. So say the directors of Sheltered Housing Services...



Walpole Court, Puddletown, Dorset, where the stable block of Islington House has been converted to cottages, bungalows and flats.



Warleigh House, near Plymouth, Devon, a 15th century manor house in 18 acres, which has been converted to 16 retirement flats.

Most in demand are homes along the south coast, in the southern counties, the Midlands, and London. The price spread is £20,000 to £120,000, with £30,000 to £40,000 the most flourishing sector.

Walpole Court, Puddletown, Dorset, where the stable block of Islington House has been converted to cottages, bungalows and flats. Details from English Courtyard Association (01-937 4511)

Warleigh House, near Plymouth, Devon, a 15th century manor house in 18 acres, which has been converted to 16 retirement flats. Details from Strutt and Parker, Exeter (0392 215631)

completed or under way, including new sites at Torquay, Devon and Tovey, North Hants. The price range is around £65,000 to £85,000.

David Barker, Fountain Housing, 12 Gay Street, Bath, says there is considerable misunderstanding about profit-sharing in retirement homes.

At Fountain Housing's Bathworth Park, Arundel, Sussex, elegant small apartment development grouped around a Victorian house, the leases so far have specified a 50 per cent profit share on re-sale.

On service charges, it suggests comparing the costs spent on your present home. This should be less in sheltered schemes, but some developers might argue the point on the cost of the services of a full-time, on-the-spot warden, caretaker or secretary.

Leases which permit a landlord to take an unreasonably large administration fee for processing a resale: this might be in addition to your estate agent's fees.

Schemes which deprive you of some or all of the capital appreciation—unless you receive something in return, such as discount price, a guarantee of lower service charges, or extra care when you are older.

June Field

Saleroom Camp followers to the rich

THE major salerooms face 1986 with some confidence: while the American economy booms, they should prosper. It is sad to see two such British institutions as Sotheby's and Christie's look to New York for most of their turnover and profit, but auction houses must always be camp followers to the rich.

The most exciting events of the year could well happen outside the actual saleroom. Christie's is now a take-over tip, with a choice selection of American billionaires rumoured to be interested: the current management, with some major shareholders ready to retire, might not be too adverse to a proposition.

If Christie's becomes the focus of a take-over struggle it would be surprising if Phillips did not enter the fray. It is much smaller but has good City connections, and it would be seen as the British White Knight in New York you can hear reports that Mr Alf Taubman is sometimes disposed to cash in Sotheby's.

The other major issue of the year could be the attempt of local authorities in New York and Westminster to bring auction house practices under stricter control. In the past Sotheby's and Christie's have managed to emasculate efforts to end some of their over-odd business traditions, but the Attorney General of New York State may be a tougher nut to crack than British politicians.

Sotheby's and Christie's have always been effective travellers on the old boy network. While they keep one ear cocked for impending take-over bids, or statutory regulations, the salerooms must continue to attract hot properties from vendors. Fears that many of the works of art currently on show at the Treasure Houses of Britain exhibition in Washington will eventually find permanent homes across the Atlantic are exaggerated.

The unchanging verities of the saleroom world are that there are very few masterpieces, and these will always do well. There are many middle-of-the-road, or mediocre, items: demand for them has declined in recent years. And owners even of masterpieces should not be too treacherous: the most spectacular failure of 1985 was the three violins and a cello by Stradivari, including the acclaimed "Lady Blunt" violin, which were unsold at Sotheby's because the continental estate agent wanted more than the market would pay.

There may be more rich men buying works of art than ever before, but they are still a minority among the very wealthy. They might keep the Sotheby's and Christie's hand-overs rolling for a few more years yet but in the end the connoisseur will come into his own again.

majority of them Impressionists, from the collection of the late Florence Gould. The Gould pictures had been hived around the world and, with few exceptions, did not arouse the enthusiasm of experts, or the handful of buyers who could afford the prices. But Sotheby's has managed to persuade a new generation of American (and Japanese) millionaires that Impressionists are a good investment; all but three of the pictures found buyers. The new owner of the most expensive painting, a Van Gogh which made £2.5m, remains a mystery—it could be owned by a syndicate. But the second most costly work on offer, a Toulouse-Lautrec, now graces the home of Mr Taubman, president of Sotheby's. "The Gould sale was a success, but it was a close-run thing. Since its acquisition by the Americans in 1983 Sotheby's has secured up its financial services to both potential buyers and sellers. If you passed a rigorous financial appraisal, you could have bought at the Gould sale on credit. Sotheby's now sets aside around £20m a year for advances in suitable clients; for sellers, it will consider offering cash in advance of settling a property. Perhaps its biggest achievement in 1985 was in persuading Linde to accept a scheme whereby

More arts coverage XIII

works of art (up to a certain proportion of their market value) can be part of the wealth needed to become a "name".

It also launched during the year an Art Market Bulletin, which follows prices in the major markets. So far this season the index has recorded a fall, although in admittedly quiet months. Too much concentration on buying art as an investment could rebound badly if Wall Street, or the value of the dollar, falls.

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Antony Thorncroft

BRIDGE

THE ABILITY to count the hand distinguishes the expert from the less-gifted performer. The various plays, simple in themselves, depend on counting, and thus require a complexity that they do not really possess. This is why the average player cannot execute a squeeze, the mechanics of which are childishly simple.

Let us take this hand from rubber bridge:

W ♠ 9 8 ♣ 6 3 2 ♢ K 10 8 ♠ A J 9 6 3
E ♠ 7 5 4 ♣ Q J 6 3 2 ♢ K 7 5 ♠ K 10 5

At game all South dealt and bid one diamond, North said two clubs, South rebid two no trumps, and North's raise to three no trumps concluded the auction.

West led the heart four, East produced the King, and the Ace won. East was the danger hand, so the declarer led a low diamond, prepared to finesse against East, but West played the Queen. South stopped to count. The lead of the heart four, with the three and two visible on the table, indicated a four-card suit. With five spades West would have led that suit, so presumably he had four spades, and therefore four clubs.

In that case East could hold only one club, so the declarer played dummy's Ace of clubs. If West had the King, he was welcome to make it, but East must be kept out of the lead. South was rewarded for his excellent play by dropping East's singleton King, and he

made his contract with two overtricks. My next example is from a big duplicate pairs of many years ago, in which I was playing:

W ♠ 9 4 ♣ 10 5 ♢ A Q J 6 5 ♠ A J 7 2 ♣ A 6 3 ♢ 8 2 ♠ K 10 4

West dealt and bid one diamond — one heart is better — and after two passes I reopened with a double on the South cards. My partner said three clubs — he should have bid three no trumps to take the strain off me — but I shut my

eyes, and bid the no trump game. West led the two of hearts, and when East played the King, I could place most of the cards even at this early stage. West was marked with four hearts, and almost certainly with four diamonds to the Ace and King. East's pass of his partner's opening bid was significant — after showing up with the heart King, he could scarcely hold more than the diamond Knave. I held up my Ace until the third round, not to exhaust East of the suit, but to rectify the count for a possible squeeze, and then ran off the clubs. West discarded two diamonds and the heart Queen — the squeeze and endplay was marked. I cashed dummy's King of spades, then threw West in with a diamond. He made Ace and King, but then was forced to lead from his spade Queen into my tenace.

E. P. C. Cotter

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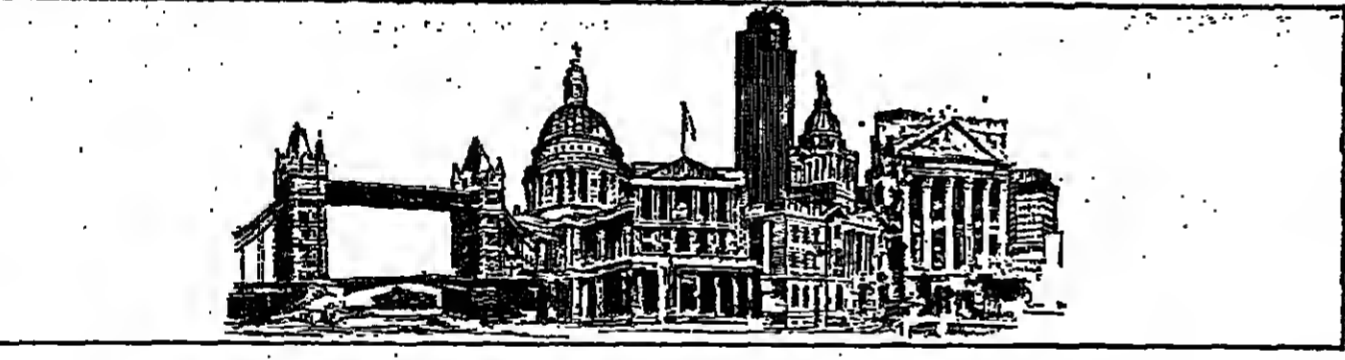
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Skinner's Hall, London
27, 28 & 29 January 1986

This highly successful programme, itself a compact version of the long running FT-City Course, was held for the first time in January 1985 and is now to be repeated twelve months later. The purpose is to provide a thorough briefing on the roles of the major players in the City and discuss the changes now sweeping across the Square Mile. The impact of these developments on the way business is done in the City can now be judged more clearly and the content of the Seminar reflects this.

Mr Win Bischoff of Schroders, Dr Michael von Clemm of Credit Suisse First Boston, Mr Pen Kent of the Bank of England, Mr Christopher Johnson of Lloyds Bank, Mr John Heywood of Hambros Bank, Mr M J Boleat of the Building Societies' Association, Mr John Sillett of the Midland Bank Group and Mr Armen Kouyoumdjian of the International Mexican Bank are among the speakers. The Seminar is again to be chaired by Mr Marc Lee, Conference Adviser to the Financial Times.

Skinner's Hall provides an excellent location for this Seminar and the intensive format makes possible participation by many more executives from outside London and from abroad.

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WEEKEND FT REPORT

Boating Industry

THERE ARE many motivations for entering the boat industry, and making money rarely comes top of the list. Tradition, craftsmanship, enthusiasm for working with boats, love of the sea and a desire to do something different have all contributed to the shape and size of the UK industry.

Many proprietors of small marine companies in Britain are in the boat building business mainly because it is an absorbing and satisfying job. They are willing to put up with a small return for their investment and labour.

Of the 900 members of the Ship and Boat Builders National Federation, which represents the British leisure boating industry, only a handful turn over more than £10m a year. About 30 turn over more than £2m a year and of the rest, 430 have less than £100,000 of annual business—a level which is arguable whether they can claim to be properly in business.

But competition is encouraging change. Shortly before Christmas the federation decided to levy members according to turnover to fund a new marketing strategy for the industry.

Mr John Conk, chairman of the federation marketing services committee, says up to £400,000 will be available to spend during 1986. The industry will concentrate on the home market, where it has lost ground badly in recent years. Export markets, with their currency fluctuation problems will be left to boat-building and equipment companies strong enough, or brave enough, to take their chances.

For a heady period in the 1970s the boat industry enjoyed a 1 per cent share of

The Earls Court show heralds a change in direction for boat builders as they aim to recapture home markets through new owners rather than encouraging trading up

Selling takes a new tack

BY ROY HODSON

all British spending upon leisure activities. The industry's current turnover of £330m a year reflects a decline of 30 per cent in real terms from the 1975-78 period. The aim of the marketing drive will be to restore that loss, bringing the industry up to a turnover of more than £500m a year.

British volume boat-builders are facing fierce competition in their home market, particularly from the French who are marketing aggressively. Imports account for one-third of the British small boat market.

British exports, however, are doing well. The recent flood of French sailing yachts into the British market is matched by the brisk demand in Continental Europe for British power boats, for instance. Marine Projects, one of the biggest British builders, increased sales of its Princess range by 30 per cent in 1985 to a record £23m. The group had to take on 100 employees at its Plymouth factory.

To recapture the lost home market business the industry intends to concentrate upon a campaign to enlarge the number of users of leisure craft, whether simple sailboards or luxury cruising yachts.

Such a drive to get new people on to the water represents a sea change from the industry's previous technique,

exemplified at countless boat shows of persuading those already hooked on boating to "trade up".

The future emphasis upon new entrants aims to encourage manufacturers to be innovative with products and give more attention to sales promotions. This could include boats available for boat trips. More "off-the-shelf" selling will be encouraged within the limits of companies' abilities to finance stocks of unsold craft.

The days seem to be fast disappearing when a prospective owner of a family boat must pursue the long ritual of paying the builder one-third the price before work starts, with further payments during construction.

Buoyant exports and the new prospect of a better industry-wide performance in the home market are sending members of the British boating industry to the Earls Court Show this month in good heart. They have had a foretaste of things to come from the autumn Southampton boat show, where sales were a record of about £12m. Attendance was also up by nearly 20 per cent.

Among British companies Fairline Boats, builders of luxury cruising power craft, has increased sales in 1985 by 55 per cent to nearly £10m and doubled pre-tax profits. It has new models planned to keep up

the pace in 1986. Mr Anthony Taylor, managing director of Camper and Nicholson's (Yachts) has just secured the largest order for the Gosport yard, an 83 ft sailing yacht costing more than £1m. He is also developing a new line of motor yachts and the company has good order books.

Sadler Yachts, which is carving a name for itself for sound cruiser-racer designs, says 1985 got better and better as it advanced. The company has improved its order book by 50 per cent in a year, and expects a similar improvement in 1986. Sadler sells four-fifths of its boats on the home market where it is finding most growth.

Northshore Yacht Yards, of Titchener, has a specialist niche in the market, making touch cruising yachts with retractable keels for visiting drying ports and shallow estuaries. It has also gone into the motor-sailer market, taking over the Fisher range.

Mr Bryan Moffat, director, says that profits and markets have been markedly stronger in the past year. The company has sold more boats than in any year since 1980.

But he points out that making and selling new boats is hardly a licence to print money. Net profits are still a

poor 4 per cent on turnover. Turning to a small builder, Mr Hugh Rossiter of Rossiter Yachts, Christchurch, says his company is "doing better but not marvellously". His 32 ft cruising yacht called Curlew is attracting attention and he expects to take an order for the 10th of the production line at Earls Court.

Mr Rossiter shows the inbred caution of the smaller company when he says: "We would like to do more for exports but, while the home market is not too bad, the extra expense and hassle of selling abroad is off-putting."

Lewmar, the Hampshire yacht equipment company which recently went public serves the world market with its gear, and is in a good position to see the whole game. Mr John Burton, the chairman, says that a decline in sales of small boats has been more than made up by stronger sales of larger yachts.

The company's equipment is on 11 of the 15 yachts in the Whitbread Round-the-World Race, and Lewmar will be more widely represented than any other equipment maker on the America's Cup challengers in Australia.

As British firms are preparing their exhibits for the Earls Court show they were showing an optimistic view that both home and export business is improving. More than a third of the companies surveyed report better order books than six months previously.

If their optimism is borne out, orders placed at Earls Court can be expected to better any year in the 1980s. The industry will then know it is sailing into smoother waters in 1986.



Close racing in the Solent last summer with one of the popular Sigma classes in action

"A remarkable year by any standards"

Sam Newington
Chairman, Fairline Boats plc

1985 was indeed a remarkable year, and 1986 looks like being an even more successful one for Fairline, the UK's only public listed boatbuilding company.

With sales increasing by 55% over 1984 to nearly £10 million and profits doubling to £806,000, the Company has certainly chosen the right time to launch its most ambitious and exciting product so far. The stylish, powerful and supremely luxurious Fairline 50 will take shape in the newly-dedicated purpose-built factory at Fairline's extensive facility in Oundle, Northamptonshire, and joins a range of nine powerboats varying in length from 21 foot to this latest 50-footer, the first of which is to be launched in June.

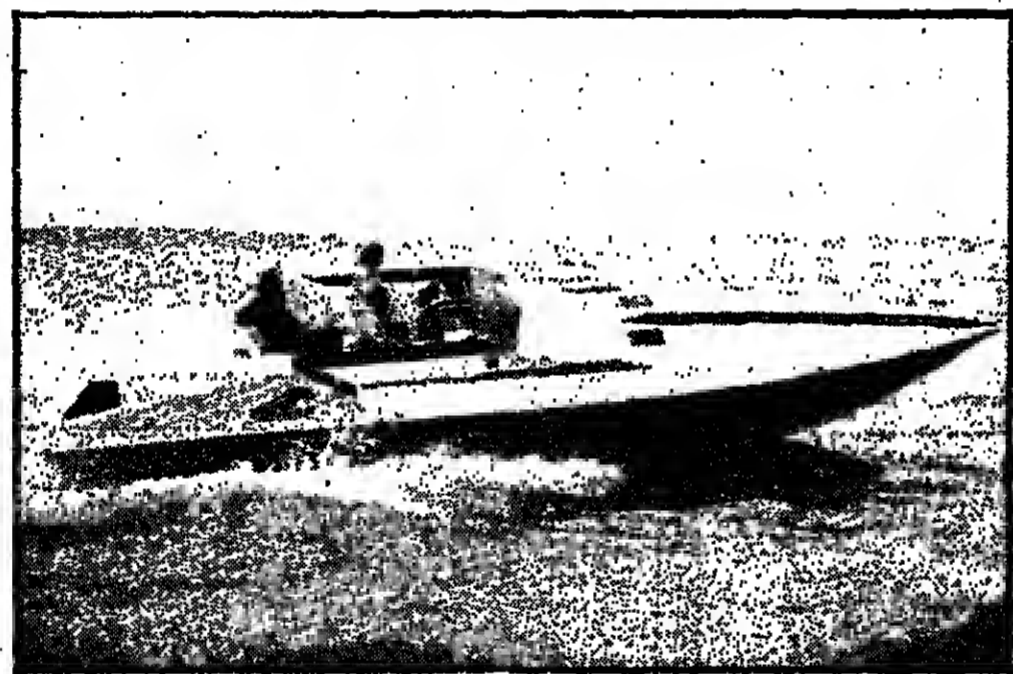
Chairman Sam Newington further comments "sales, profits and earnings per share are all up considerably and our cash position is very strong indeed. On top of that, we are scheduled to introduce four new models into our range by 1987's London Boat Show, so prospects for future growth are excellent".



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Cougar Marine's fast monohull, costing more than £74,000

Power

Giving berth to a dream

BRITISH BUILT power cruisers and large motor yachts are again experiencing that heady mixture of international demand and associated commercial success, the builders last knew in the early 1970s.

During the recent recession years the industry has become leaner and more professional. And for those who survived, it has gained credibility.

Mr Sam Newington, chairman and managing director of Fairline Boats, says those years produced for his company the right springboard for a full market listing in 1978. Fairline is now producing 400 boats in the 20 ft to 40 ft range with a 50 ft version poised for launch in mid-year.

Fairline's turnover has almost doubled since the flotation, reaching almost £10m last year. Sales rose by 50 per cent and British sales doubled in 1985, while 60 per cent of its production was exported, mostly into Europe.

Sunseeker International's recent market penetration with a range of sporting boats stems largely from its association with the British designer Don Sheehey. Unmistakable lines and an off-

shore racing heritage have helped Sunseeker boats to a dominant position in the European fast dayboat and weekend market — with designs from 21 ft and a new 39 ft version revealed this week in full production trim.

Marine Projects is gradually taking owners up the buying scale, with larger power boats. Fast open-water outboard boats tend to run between 14 and 25 ft. One British builder who knows this market well is Norman Fletcher. A waterski supporter, Mr Fletcher has continued to extend his range of boats and uses international competition to prove many designs.

Another company using the same approach but at the opposite end of the size range is Ilamite-based Cougar Marine. Its stand at Earls Court will include glass fibre production versions of its world championship catamaran and monohull designs, capable of more than 90 mph.

Sharing the stand will be the recently named British America's Cup 12-metre yacht, Crusader, built in aluminium at the Cougar yard.

Since buying the Fairey shipyard, Cougar has capitalised upon its international sporting and commercial success and is predicting a 60 per cent increase in turnover to £10m in 1986.

W. A. Souter, of Cowes, has had four big motor yacht commissions of 85 ft or more under construction during 1985 in composites and aluminium, including the 120-ft Philante for Tommy Sopwith to a Shearwater design.

In the year ahead, Shearwater's expertise will be used on at least four yachts of more than 100 ft in three countries. He has an international reputation for his fast yacht designs. Meanwhile, Mr Terry Didsdale is the hottest property in terms of yacht interiors. He is working on schemes for nine yachts of between 46 and 100 metres.

British powerboat designers and builders are in a strong position in the international market—both for style of designs and quality of products. It remains to be seen whether sufficient British builders will follow the leaders to consolidate that market dominance.

JOHN WALKER

Sail Survivors accelerate turnover

THE FIRST question a would-be boat owner asks these days is where to keep the vessel.

The days are long gone when a mooring could be laid in a creek or harbour for a nominal £3 a year. The industry acknowledges that pressure upon moorings and berthing space is one of the biggest constraints it will have to tackle in its campaign to get more people on to the water.

But perhaps the situation is not as bad as it first glance. Boatyard managers and harbourmasters are accommodating people, and will usually tuck a new boat in somewhere. But not at some of the most popular south coast yachting areas where waiting lists stretch beyond the horizon.

There are 35,000 leisure boats between Poole and Chichester, and the area has become uncomfortably congested on a summer weekend. More people are extending their sailing season relying upon the low-maintenance required on modern boats (and such devices as cabin heaters).

Some are regularly cruising all year round, taking advantage of space and quiet. The Solent, which can resemble Piccadilly in the rush-hour at the height of the season, can be an empty, tranquil place by late October.

Development of new marinas continues to forge ahead. Mr Robin Walters, chairman of Walcon Marine, which makes postboxes, says 2,000 new berths were created last year—his company supplied 1,300 of them. Motorways are also helping take some of the pressure off the south coast. Mr Walters detects a trend among yacht-owners to move to the West Country where there can be plenty of room.

Two golden rules for siting marinas are that there should be places to sail to—a point not always appreciated by non-boating developers—and that the marina should be within two hours of a big town.

Following those rules, developments are taking place away from the busiest yachting areas on some lovely parts of

the British coastline, Scotland, Wales, and Northern Ireland are being particularly adventurous with new projects.

Having found somewhere to moor the prospective owner of a cruiser-racer or a straightforward cruising yacht is likely this year to be interested in something in the 28-foot to 40-foot range—and to be prepared to pay at least £1,000 a foot. There is a healthy demand for what used to be considered big boats, while builders report slack demand for yachts in the 20 foot to 26 foot range.

Having bought and berthed his dream, the yachtman will then have to consider what he has taken on. My friend Grant has taken in The First Law for Boat Maintenance is that running costs equal 10 per cent of purchase price. It is a useful rule when working out whether you can afford a boat.

With the more general introduction of lifts that can pick a yacht out of the water in minutes and park her on dry land, the concept of "dry sailing" is catching on among racing yachtsmen. They are keeping their boats ashore, except for weekend racing. That keeps the weight of the boat down (no water absorption) and is reckoned to cost no more than lying afloat in a marina berth.

The special world of yacht racing is going through one of its periodic upheavals. Hard-weather racing in the Channel this year, during which there was an abnormally high number of retirements because of equipment failure, or failure of crews to cope with the tough conditions in lightweight boats, has led to some questions about whether the most extreme racing boats are too flimsy.

But it has not led to any far-reaching changes in rules. Rather, the trend seems to be heading towards a racing circuit in which advertising will be allowed on hull and sails, professional crews will be used, and sponsorship openly displayed.

This would leave more elbow

room for the true amateur to enjoy competitive racing against each other without being pitted against "shamateurs".

One-design racing has been kept alive in Britain, against all the odds, by fleets of fine old boats often sailed by fine old men. There is a new upsurge of interest in that kind of racing where the boats are identical as near as possible.

Sailing as a one-design class, modern Sigma racer-cruiser yachts (33-feet overall length) have given their owners excellent racing during the last season. More than 70 turned out for the annual race, around the Isle of Wight. Yet the design includes a lusty diesel engine and can be used for family cruising.

Board-sailing is continuing to go from strength to strength, providing stern competition for the sailing dinghy classes, partly because of the high cost of a new dinghy compared with a board. Many young people also discover—often on Medway or on the Thames—that board-sailing is exciting and not difficult.

After explosive growth and some spectacular failures of manufacturing companies—the board-sailing industry seems to be getting its second wind. Mr Gordon Way of TIGA, UK, the Nottingham-based board specialists, says that British companies are now talking to each other and starting to act as an industry.

The sailboard committee of the Ship and Boat Builders National Federation has raised a £35,000 fund to spend on National Windsurfing Week, and a Windsurfing Information Centre at the Royal Yachting Association.

The trade magazine Board Business put forward what it calls "a case for optimism," forecasting that the British board market, now £5m a year, will be worth more than £10m a year by 1990, with British manufacturers taking an increasing share.

ROY HODSON

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WEEKEND FT REPORT

Flotilla Cruising

Exploration for the inexperienced

A SMALL fleet of Princess power boats carves a furrow through the dark blue Mediterranean waters as it cruises along Turkey's south coast.

At 16 knots in a sparkling autumn day this is an elegant form of follow-my-leader. Off the bay of Marmaris the flotilla thrills back to watch a school of dolphins playing.

Then away again at full power with flying fish keeping up with the fleet on either side. There is an important appointment ahead with a beach taverna and an open-air lunch of fresh local produce fit for the gods of old Lycia.

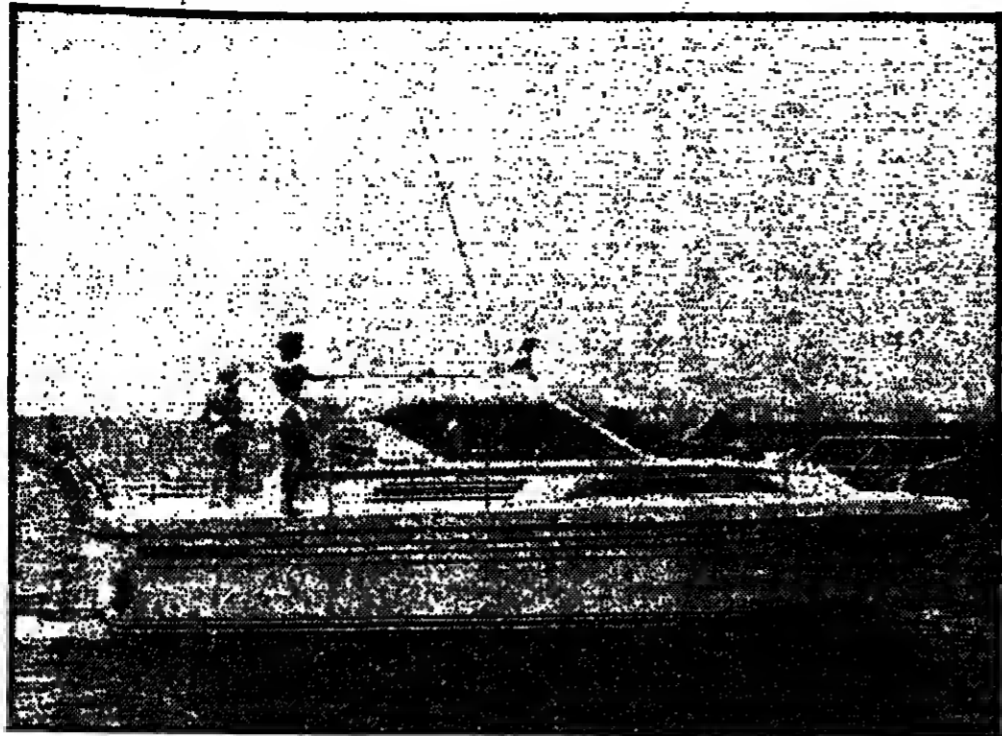
That is the Peter Stuyvesant Travel way to enjoy power boating in the Med. A direct flight from Gatwick to the south Turkey airport at Dalaman puts you on your boat in less than half a day.

The twin diesel-engined British-built power boats handle like well-mannered limousines. When the company says that no previous boating experience is necessary it means it.

The fleet is led by a professional skipper, engineer, and boats in the lead craft. Their job is to remove from the paying customers any fears of nautical inaptitude. They do that expertly.

Peter Stuyvesant Travel is, in effect, pursuing a clever marketing ploy. It is diversifying from cigarettes—while keeping the name before the public as valuable publicity. And it is developing a valuable new business at the top of the leisure market by selling "life around the water."

The Turkey flotilla is just one of the company's water activities based in Spain, Italy, Greece, and Turkey, offering a range from power-boating to board-sailing. Two weeks power-boating in Turkey in a six-berth



Power cruising on the Mediterranean in a Princess 33

vessel costs each person about £500, including flights.

Flotilla sailing seems to have two important attractions: the beer and wine are excellent, and there is always a flying boat within about 15 minutes' flying time to help.

The magazine Yachting World is listing a world of chartering in sailing waters as far apart as Finland and Tahiti. Both charter and flotilla sailing are being put on a highly professional basis as the business moves from the hands of local yachtsmen to international companies capable of offering keenly-priced fly-and-boat package deals.

At the luxury end of the market it is only necessary to pick up the telephone to charter a 100 foot motor yacht and crew practically wherever you want it. Camper and Nicholson (Yacht Agency) of Regency St, London, is expert practitioners. So is Crestar Yacht Charters, of 125 Sloane St, London, which represents some 500 charter yachts around the world.

own. Warm trade winds blow, the natives speak English, the beer and wine are excellent, and there is always a flying boat within about 15 minutes' flying time to help.

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It is worth reminding would-be charterers, however, that some of the most delightful and varied cruising is in British waters.

The Yacht Charter Association, working with the British Tourist Association, is trying to encourage the charter of British boats. The association has gone to great trouble to draw up a code of minimum standards for the management and equipping of sailing and motor yachts chartered by its members. It has been a cause for concern that yachts chartered from owners outside the association may not always meet the same safety standards.

However, some yachts chartered by private owners are lavishly equipped and far above the minimum levels set by the association. A comprehensive guide to companies offering charter and holiday holidays worldwide is in the December issue of Yachting World.

ROY HODSON

Equipment

Radar strides ahead

SALES of equipment, candelary and marine engines reached £180m in 1984, up £40m since 1981 and still even higher in 1985-86. Competition is intense, not only between British and foreign manufacturers but also among agents who control the market.

The original equipment market for engines and electronics is carried enough but the replacement business stimulates the marine trade most extending across power and sail and all sizes of yacht.

The benefits of micro-electronics have come into the lives of boat owners and it is no longer surprising to see fully integrated, computer-controlled instruments. But of all the recent advances, it is in the radar market that the greatest strides have been made. Daylight viewing has improved while attention to size of scanner, display and overall weight has opened up the market for smaller sailing boats.

Mars Marine, with their Vigil system, were front-runners, and with the addition of guard rings and a tracking facility, continue to set the pace with more than 40,000 installations. Although the modular design was intended to enable yacht owners to install their own equipment, most Vigil sets appear to be handled by agents.

Vigils include single-colour display, power consumption of less than 3 amps, 4 to 16 mile range and a price of about £1,500. Also in the market are Decca, Kodan / Sitex and Raytheon.

Decca figures strongly in the market for position fixing devices but this segment is changing. Decca reduced prices during 1985 because its beacon maintenance charge is no longer being levied—but also because there is a growing personal import market under the badge of Philips AP.

Within a few years with the advent of satellite navigation systems that "fix" every second to better than 10 metres anywhere in the world the present system could be obsolete anyway.

Prices are likely to tumble into the reach of the average cruising and racing yachtsman very rapidly, but in the interim there are other alternatives. The Celcalc Narrowtrack allows mobile telephones to cross-reference cell beacons, triangulating to within 100 metres or better. However, the offshore range is yet to be defined.

The most recent arrival is the Geonav which uses solid state, interchangeable memory cartridges, for a high resolution screen to show charts and navigation points at varying scales.

Developments in marine diesel engines include the introduction of the BMW D530, diesel sterndrive 150 bhp unit to supplement the 180 bhp D638. Turbo Diesels of Poole is developing a 400 bhp, high-performance Iveco Alfa unit through Haarts & Dorset Engineering, which is some measure of the company's commitment to the market.

The outboard engine market, however, is a more complicated scene and still smarting from the price readjustments that followed the EEC rulings on Japanese "dumping" during the late 70s.

The market remains largely divided between the large horsepower units of American origin and the smaller units from Japan. Mercury and OMC set against Yamaha, Suzuki and Mariner (itself a joint venture between Brunswick Corporation and Yamaha) has provided the market with some interplay.

Japanese outboards will feature prominently at the Earls Court show, but have nothing obvious to offer against Mercury's new 2.4 EPI and 3.4 EPI, V6 performance outboards.

South Western Marine Factors, the Mercury importer, has gone into boat building in its own right. This month it is offering a 9 ft glass fibre dinghy 3.5 or 4 hp by motors at prices from £475 to £820 plus VAT.

South Western's John Buck sees the dinghy as a good way of introducing what has seemed an expensive pastime to a wider group of owners.

JOHN WALKER

SHIPMATE - Leading the way in marine electronics...

Advertisement for SHIPMATE marine electronics, featuring a digital display showing '2100' and various electronic components like a radio navigator and depth sounder.

Advertisement for the 32nd London International Boat Show, featuring a large 'BOAT SHOW' graphic and 'OPEN ALL WEEKEND!' text.

Advertisement for the British Sailboard Display and Dinghy World, listing various sailing equipment and events.

Advertisement for EARLS COURT, featuring a sailboat graphic and the text 'Until January 12th'.

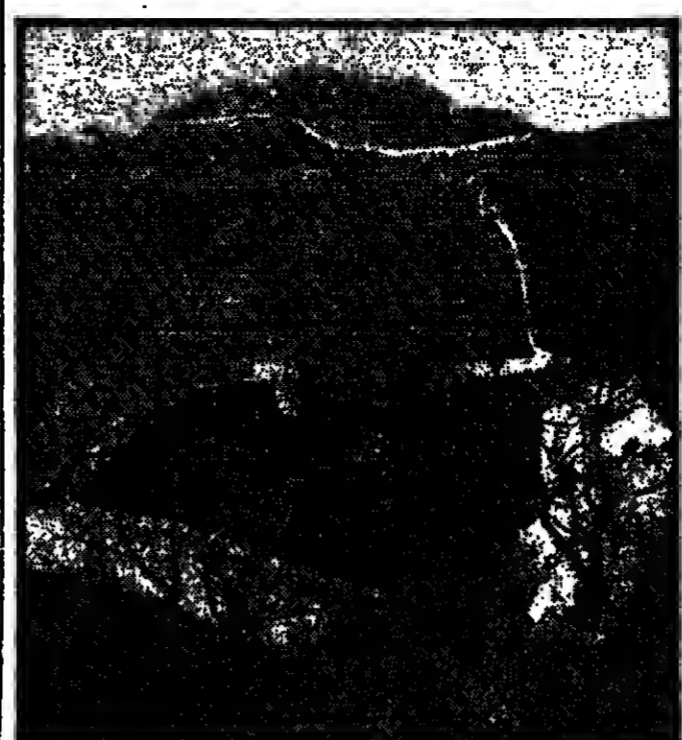
Advertisement for Answercall, a cellular telephone service, with the text 'Confused about cellular phones?' and 'Answercall'.

Advertisement for BOATS, listing various boat models and specifications, including the Motor Vespa and Jubilee Sailing Trust boats.

TRAVEL · MOTORING

Nicholas Colchester visits an old capital in a new China

Doors open on wider choices



China's Great Wall



Terracotta warrior in Xi'an

AS WE entered Xi'an, in the dusk, I tried to imagine that the airport bus was an exhausted dromedary limping down the final furlong of the Silk Road. There, ahead, was the astonishing Ming wall of the city, built in the 14th century, 50 ft high and 50 ft thick. There was the imposing, pagoda-roofed archers' tower guarding the west gate. I had never before seen such a grand example of a walled heaven to shelter the traveller after a journey through the waste.

The illusion could not hold, though. The bus was Japanese and did not know what limping was. The traffic lights at the end of the Silk Road gave the driver a digital count-down to help him shoot them. And where only a few years ago tourism was an adventure, we rolled up to the mirror-walled Golden Flower Hotel, as modern and smart as the best in any Asian NIC. This was the old capital but the new China—the China of Deng Xiaoping's "open door."

The object of our trip was not, in any case, romance. It was to see how the travelling businessman can now move around China in a manner that provides some of the choices and certainties that he takes for granted in the capitalist world. It is only in the past three years that it has become possible for a business visitor to know where he will be staying in China before he gets there, and for his secretary at home to have reliable idea of where he can be reached at any moment.

The chief problem today lies in the shortage of seats on the internal airlines and of beds in the modern hotels. In Peking, in particular, the shortage of

hotel space remains acute. Seventy per cent of the Hotel Beijing's rooms are booked permanently as business offices. In the impressive Great Wall Sheraton, no fewer than 200 rooms out of 1,000 are booked permanently by one customer, IBM, which pays \$2.5m for them up front at the start of the year.

We were the guests of an initiative called "Bridge to China" set up to shepherd the businessman through these shambles, through the remaining red tape, and through the other peculiarities of travel in China. The bridge has been assembled by British Airways and Alport Travel, a specialist travel agency. They have between them wrung assurances out of a list of good hotels and China's national airline, and they have the efficient co-operation of the China International Travel Service.

Our particular passage across this bridge could not be faulted — three cities, three hotels and two internal flights within a week without a hitch or a missed appointment. In China, that is a highly geared itinerary.

On brief acquaintance, Peking seemed a city to get out of. It is a flat gridiron of soulless avenues and there is unease and discipline in the air, despite the clear move towards a more liberal order. The atmosphere and charm have been restored and redecorated out of its principal attractions.

The Ming tombs and the Great Wall, each a one-hour drive from Peking, are memorable but, here again, the amusement park effect threatens. Insist on seeing the unrestored Ming tombs. They

are magic compounds of overgrown ruins, strewn with carved stone and with trees sprouting from their noble masonry. Insist, too, on going to the newly opened section of the Great Wall. With any luck, you will get there before the cable car is built.

When you have climbed up on to the razor ridges to which this astounding barrier clings, march briskly to the end of the restored action and see the splendid ruin coiling like a streamer into the far distance.

Xi'an lingered in my mind for longest afterwards. The image is not of gaudy chinoiserie but of central Asia; of subdued, strong and perfectly proportioned things; and of ochre dust that would turn any modern crowd into a terracotta army if they stood still for long enough.

The historic sites of Xi'an are of a scale that speaks of astonishing subjugation. There is the monstrous mausoleum of the First Emperor of Qin with its famous underground army of 8,000 life-sized warriors, all different. There is the range of hills that Emperor Tang and his empress, Wu, transformed into their joint mausoleum, Qian Ling.

Yet, the most powerful memories are of smaller things: the 14th century Chinese interpretation of a mosque in the middle of Xi'an; the face of one particular terracotta warrior, rather than the whole army; a tang bowl, and the bust of a Buddha that might have come straight out of an Albanian atelier.

Canton, our last port of call, had the feel of a Hong Kong in waiting. The free markets were thriving and the stalls blowing Western pop, while the official department stores had a dusty air as though the action had moved on. The White Swan Hotel, which is entirely Chinese managed, was difficult to distinguish in its service from the Western managed hotels in Peking and Xi'an.

Canton's Garden Hotel, indeed, was exploring new heights of Asia-Capitalist style. It offered us a nouvelle cuisine banquet. In a pale blue Louis XVI setting, heavy with gilds and chandeliers. As the maître-d' invited the coming course, it seemed that Dynasty had arrived through the now open door in this historic port of China.

class. It is a cooking experience," insists Leveque. The price is \$300, but that does include the meal, wine and a chef's jacket to take home.

IF YOU want to be sure of the ferry reservation of your choice at the peak times of the coming summer it may be as well to book now. "There is an early rush of bookings and peak sailings are already filling fast," says Townsend Toberson.

BRIEFS

THE MOST expensive cooking lessons in the world? That may be the claim of the Working Kitchen scheme at La Rocelle, an eminent New York esterie. Chef Christian Leveque will play host in his kitchen, with the guests joining in the cooking, from 4 p.m. until close down. "This is not a cooking

Bold and buoyant in the Belmont

AS THE ORION is to the Ford Escort, or the Jetta to the VW Golf, so is Vauxhall's Belmont to the Astra. In other words, it is a four-door, three-box saloon developed from the original hatchback.

Saloons derived from hatchbacks always feel bigger, better and quieter cars. It must be something to do with reducing the scope for noise amplification within the body by shutting away the luggage space from the passenger compartment.

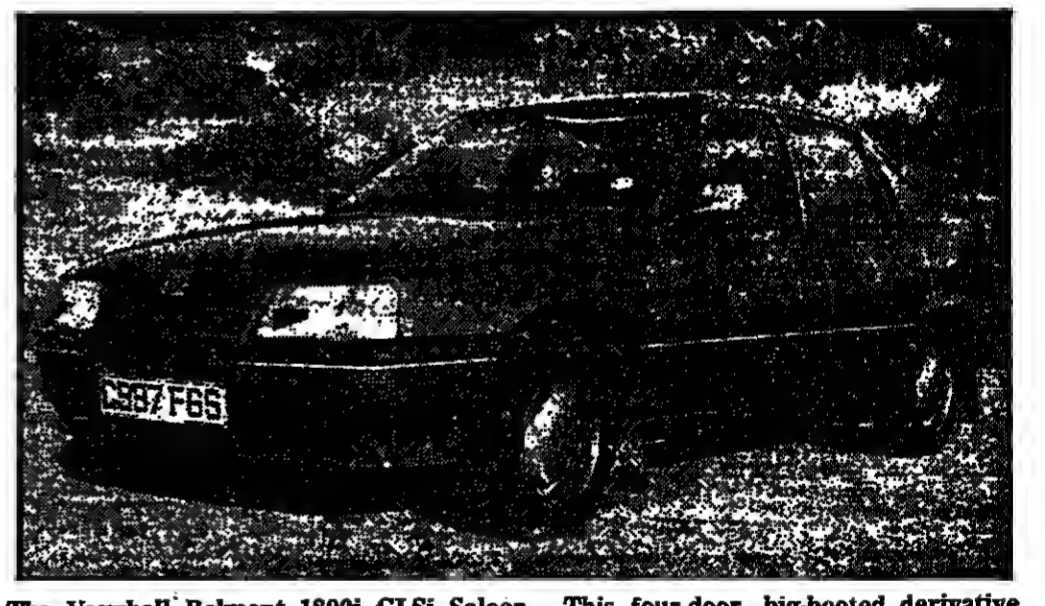
The Belmont, which goes into the showrooms on January 15, will intensify competition in an already hotly-contested market. Apart from the Orion and Jetta, its rivals will include the Renault 9, Fiat Regata, Rover 200 and Japanese cars like the Toyota Corolla and Nissan Sunny saloons.

Although a saloon, the Belmont has two typical hatchback attributes. The boot lid extends right down to the bumper, so that loading something heavy and bulky is not a back-breaking struggle. And the rear seat backs are split and lower horizontally, allowing long objects to be stowed inside the car.

There is just one body style. It is agreeably wedge-shaped, with flush-fitting front and rear scoops, and an extra window in the rear quarter to make the interior more light and provide very good all-round visibility.

The equipment levels are generous. Useful items like quick-release front seat headrests, a buzzer to warn that headlamps have been left on, and a four-speaker radio/cassette, are standard.

On all but the cheapest models, the buyer gets a tilt-adjustable steering wheel—why cannot all cars have this inexpensive but most desirable



The Vauxhall Belmont 1800i GLSi Saloon. This four-door, big-booted derivative of the Astra GTE has a top speed of 124 mph.

The poshest GLS and GLSi have four-door central locking, low profile tyres on alloy wheels, a tiltable sliding glass sunroof that does not create a lot of turbulence at 60 mph, and outside mirrors that are electrically heated and adjusted.

Engines range from a 1.3 litre, 75 horsepower to a 1.8 litre horsepower. 1.6 litre with fuel injection. There are two 1.6 litre engines—a petrol version with a carburettor giving 90 bhp and a 54 bhp diesel.

All Belmonts have a 5-speed gearbox as standard, except for the basic 1300 L and the diesel, which have to make do with 4-speeders—though a 5-speed box is an extra-cost option. An automatic transmission is offered with the 1.3 and 1.6 litre petrol engines.

When I spent a morning trying out the Belmonts in a sunny South of France in mid-December, I found the cheapest 1300 L was in many ways the nicest. This often happens. A body sited running gear stressed to take, in the Belmont's case, 115 bhp, feels ultra-refined with only 75 bhp under the bonnet.

The 1.3 litre engine spun smoothly up to 70 mph in third gear and was quietly relaxed on the saloon, with power in hand. In town, it pulled hard at less than 30 mph in fourth. The ride was firm, in the German manner, because the Belmont is really an Opel Kadett, rebadged and British assembled. But it felt buoyantly comfortable on a

thump from the 80 series tyres was pleasantly muffled. Steering, gear shift, clutch and brakes were light to operate.

Switching from the bottom of the range to the top model, the 1800 GLSi, showed that there are always snags involved in increasing the performance potential of a car in the Belmont's price class. Obviously, acceleration is much more vigorous and the top speed considerably higher than the 1300 L's 105 mph, itself a reflection of excellent aerodynamics and light weight.

But the 1800GLSi suffered from what is known as "torque steer" under hard acceleration in first and second gears, the front of the car dodges about a bit, especially on damp surfaces. The steering was heavier, due to the use of wider tyres, and one was more aware of the engine. Power-assisted steering is an optional extra.

On a deserted minor road through the Esterel Massif, with views of snowcapped alps and sparkling Mediterranean, the Belmont 1800 GLSi was an spirited performer. It sat down confidently through hairpin bends and cornered with only moderate rail and great security. A good car, I thought, for a would-be buyer of an Astra GTE who wanted something less overtly sporting and preferred four passenger doors.

On the autobahn, I was persuaded that Vauxhall's claimed 124 mph maximum is not unreasonable. The GLSi's high

1,000 rpm (in fifth) should make it an economical motorway car, with an official 43.6 mpg at 75 mph.

All the Belmonts, to judge by the official figures, make a little fuel go a long way. Naturally, the 1.6 diesels, which are reasonably self-effacing, win hands down in urban use at moderate speeds. With the optional five-speed gearbox, the 1600 D does 41.5 mpg in town, 65.7 mpg at a constant 56 mph, 46.3 mpg at 75 mph. An average of more than 50 mpg would be possible in day-to-day use, providing the motorway limit was observed, because diesels never give their best when driven hard.

The most economical petrol-engined Belmont, the 1300 with optional five-speed box again, should give any sensible driver at least 40 mpg.

I also tried the 1600 GL high geared like the 1.8 litre injection engine car and at least as pleasant to drive despite having a little less urgency when accelerating.

Prices start at £6,210 for the 1300 L and go up to £8,095 for the 1800 GLSi. Though obviously aimed at giving Ford and other rivals a hard time in the all-important fleet market, the Belmont will appeal to many private owners who prefer a saloon to a hatchback. Vauxhall reckons to sell 37,000 this year, 41,000 in 1987. Those figures may well turn out to be a considerable underestimate.

Clare Marshall

DIVERSIONS

Ergonomically speaking . . . it's all due to posture

THOMAS JEFFERSON, one of the most illustrious of America's presidents, liked to work in an armchair with his feet up. Mohammed Mossadeq, premier of Iran in the early 1950s, had a habit of holding formal meetings while lying flat on a pile of soft pillows. John Opel, until recently the head of the powerful IBM empire, practised a peculiar modern fashion among big business barons; he worked upright, at a lectern.

Cars make a similar story. French manufacturers make seats which are voluptuously soft and embracing, with springs to match. The Germans prefer a harder, more spartan, feel. Human beings do not necessarily have to sit or lie down if they want to relax: Tasmanian aborigines unwind by standing on one foot.

All this goes to show that, in spite of intensive scientific research over the past 40 years, notions of what constitutes comfort remain culturally conditioned and highly subjective. There are some immutable principles, but not as many as the chair salesmen would have us believe.

Posture and comfort are just two of the many aspects of the putative "science" of ergonomics which is examined in an informative and entertaining exhibition on "Natural Design" which, with sponsorship from Philips, is now running at the Bollerhouse design gallery at London's Victoria and Albert Museum.

Starting with basic issues of perception, ending with the ambitiously-titled "Integration of man and machine", the exhibition provides an electric whistle-stop tour of the legibility of different typefaces; the optimum organisation of instru-

ments in a pilot's cockpit; the "samantias" of portable radio design, and the organisation of living and work space.

Along the way it allows one to learn ergonomics the hard way by scraping one's knuckles on some badly-designed door knobs; design one's own ideal seat back; understand why visual display terminals can create medical problems, and how these can be avoided.

Not for these latter-day Dan Dares the old-fashioned joystick, with its hydraulic and mechanical controls. Instead, they will fly us through the skies with the aid of an ultra-sensitive "stick" which responds to minute deflections of the wrist. As if this were not daunting enough, the exhibition also shows a "bio-cybernetic" pilot's helmet of the future, which will measure the brain's activity and translate its electrical impulses into commands.

Within 10 years, says the catalogue, piloting technology will be able to register the captain's thoughts and act upon them. Heaven help us if his minds strays to what he had for dinner last night, or the ski jumps he plans to practise tomorrow.

On a more down-to-earth and reassuring level, the exhibition provides a useful checklist of basic ergonomic questions which should help the discerning customer to assess almost any sort of product. Is it safe? Is it comfortable? Is it efficient? And is it robust, reliable, convenient and attractive? In other words, is it well designed?

*Open daily except Friday's until February 27.

C. L.

Notions of ideal posture and comfort are highly subjective, and the diagnosis and treatment of back pain reflect different medical opinions and practice.

Christopher Lorenz and Joy Melville report



EVERY DAY, about 88,000 people in the UK are off work with back pain—and complaints received by the Back Pain Association indicate that not everyone getting orthodox medical treatment is happy with the result.

There are two main alternative choices: osteopathy and chiropractic. Osteopathy was founded by Dr Andrew Taylor Still in 1874 and chiropractic in 1895 by Daniel Palmer.

Dr Still—impressed by the drugs used in orthodox medicine after losing three children from spinal meningitis—finally concluded that displacement of the spine was the major cause of most diseases.

face down, sideways, while he probed, kneaded and stretched bits of me. I coughed, and breathed in and out, with crossed and uncrossed arms, while sitting, standing, sitting. I moved my neck around in circles, bent backwards, bent sideways to the left and right. I tried—and failed—to touch my toes. I put my hands on my head and swayed to the left and right. He tested the reflex actions of my arms and legs and made a sketch of my spine.

I sat down while he told me his conclusions. There was nothing pathologically sinister, he said. But the muscles high up in my back were "irritable," and tended to go into spasm if touched too briskly. He thought that some teenage episode was behind this. If my back was ever particularly painful, he said, I should SOS him; but there was no immediate need for regular treatment.

As a further check, I made an appointment at a chiropractic clinic. The founder of chiropractic, David Palmer, maintained that when any part of the spine is displaced, this traps the nerves leading from the backbone and stops the brain sending signals to organs in the body and vice versa.



ALTERNATIVE HEALTH

history. "I can see exactly what is wrong with you," he said. "It's your posture." He asked me to stand up, and I did so, casually putting a hand on a nearby table for support. "Just look at you," he said, "crossly. Put your feet together and stand straight. Your right shoulder is higher than your left end it is making your spine curve." He showed me illustrations of sagging people in a book to make his point, and said my back muscles were weak and would need treatment. I leaned on the table once more and he glared.

The treatment he gave me was with a large muscle toner. I lay face downwards on a couch which had a hole in it to take my head. For 10 or 15 minutes, he rigorously ran this buzzing steamroller over me, from neck to mid calf. I left me gasping and when I got up I felt like one of those flattened cartoon cats. The thought of perhaps a dozen more sessions left me in a reflective mood. However, I thought his diagnosis was possibly right. And when I had regained my breath, my back did feel a bit better.

treatment depends so much on what the problem is. The Back Pain Association stresses that it's always wise for people to see their GP first before trying alternatives.

The medical reaction to osteopathy and chiropractic ranges from acceptance to hostile. The entry for chiropractic in *Ergonomic Guide to Family Health*, for instance, starts: "Chiropractic is based on the false theory that most diseases result from abnormalities of the spine."

It is certainly essential to get a reputable, trained practitioner—the Back Pain Association gets complaints about osteopaths and chiropractors, too. But it is also worth keeping an open mind about them. I was glad I went; and if I have the courage to face that chiropractor, I will go again.

COST
I PAID £10 for my visit to the osteopath. The price is the same for each subsequent visit.

The General Council and Register of Osteopaths 1, Suffolk Street, London SW1, will give a list of your nearest practitioners.

I also paid £10 to see the chiropractor who charges the same for later visits. A list of chiropractors can be obtained from the British Chiropractic Association, 5 First Avenue, Chelmsford, Essex.

The Back Pain Association's branches (head office, Grundy House, 31-33 Park Road, Teddington, Middlesex) will give general advice on back pain.

All the above require large stamped addressed envelopes. J. M.

Adding a sparkle

THE POPULARITY of sparkling wines has increased dramatically. Over the past 30 years, sales of champagne have risen from less than 85m bottles a year to 200m. Even in France and Italy where wine consumption is on the wane the demand for sparkling wine has risen.

It is generally accepted that sparkling wine began in Champagne, where the local wine naturally fermented in bottles, although this has been challenged by Blanquette de Limoux, produced at the other end of France near Perpignan. Nevertheless it is agreed that the sparkle occurred or was induced in the bottle. What became known as the *methode champenoise* spread to other parts of France, notably to Saumur, and then to Italy, Germany and Spain.

In 1910, a scientist, Eugene Charmat, devised the *cuvée close* method. Yeasts and sugar are pumped into a tank full of still wine. This speeds up production enormously and short circuits the maturing period that, for a fine champagne, should be at least three years. But the great proportion of sparkling wines made by the "tank method" is, at best, somewhat neutral in flavour.

Champagne has been fairly successful in protecting its name and authenticity. It remains vigilant. In the Treaty of Versailles, it succeeded in preventing German *sekt* from being called champagne. In 1948, it stopped Italy from doing so. General de Gaulle made a gentleman's agreement with the Russians not to label their sparkling wine *champanskii*, and the Spaniards were beaten off in Britain in the "Spanish Champagne" case in 1960. The New World has proved a harder nut to crack. A still unresolved court case has been fought in Canada for nearly 20 years. The U.S. and Australia cannot legally be prevented from labelling their wine champagne, though the more reputable producers do not.

Nevertheless, the growth of sparkling wine drinking is of great interest to the Champenois. After all, its consumers might move up-market to "the real thing," and it exposes champagne to competition. Before the last world war, less than 100 million bottles of sparkling wine were produced, one third of it champagne. By 1984—a record year for champagne sales—its proportion was down to 12.4 per cent.

These figures are taken from a very interesting survey recently published by the Comité Interprofessionnel du Vin de Champagne in Epernay. It looks at the sparkling wine production between 1979 and 1984. In these five years, world output rose from 1.2 million champagne production rose from 185 million to 188 million.

The report reveals that 17 countries made significant amounts of sparkling wine, 12 of them European, three in the New World (not including Canada). In 1984, all but 300m bottles were produced in Europe. The six principal producers, all European except the US, made nine-tenths of the total output. These six, with their output per hectare, are: France (355), West Germany (250), USSR (250), Italy (185), US (165) and Spain (120). The runner-up was Australia (49).

French non-champagne sparklers are advancing. Between 1979 and 1984, production of *pins mousseux* rose from 160m to 187m bottles.

Wine



The *cuvée close* type increased by over 13m and the *methode champenoise* dropped by nearly 7m. Of the 167m non-champagne wines, the *cuvée close* type accounted for two-thirds.

Among the 54m bottle-fermented French sparkling wines made in 1984, Saumur and its associated Crémant de Loire produced 15m, while Crémant d'Alsace and Crémant de Bourgogne only represented 4m and 3m bottles respectively. Blanquette de Limoux, surpassed both of them, with 7m bottles. The Rhône's Clairette de Die achieved 5m bottles, but the other Loire sparklers, such as Vouvray and Touraine, only totalled 5m bottles between them, and Bordeaux Mousseux only 2m.

In 1982, Champagne's output was 220m bottles. When the extension of the vineyard is complete in the 1980s, output should reach 250m bottles, though, as this year has shown, among the other main producers, 96 per cent of Germany's *sekt* is made by the *cuvée close* method. Rather surprisingly, its 1984 output was 17m bottles less than in 1979. The Soviet production—developed as an alternative to vodka-drinking—was no less than 77m bottles up in 1979. This year, they are aiming for 270m. The "tank" method is used for 95 per cent of production.

Italian production has increased from 128m to 185m bottles. Every co-operative one visits there seems to have a sparkling wine programme. Fifty-one per cent is Asti Spumante, and 85 per cent is *cuvée close*. Just on two-thirds are exported and as the report remarks, the trade show "un très grand dynamisme."

US production increased by 53m bottles—48 per cent. Between 20 and 30 per cent is bottle-fermented, and 10 firms account for 90 per cent of the total. Spanish sparkling wine production has risen by about a third in 1984. This year, seventy per cent is estimated to be fermented in the bottle or *cuvée close*, and five-sixths are produced by two firms. The Spanish increase owes much to the spectacular success of the *cuvée close* wines in the US, where 16m bottles were sold last year, compared with champagne's 11m. In Britain, they have achieved relatively little success, with only 3m bottles sold in 1984, compared with champagne's 10m. This is surprising as they cost little more than half the price of a grande *cuvée close* champagne, but they face steep competition from the *cuvée close* sparklings, with which they appear to be associated in the public view.

Edmund Penning-Rowse

THE origins of chess are shrouded in legend: its invention has been credited to a score of countries from ancient Egypt to Wales, and to individuals as various as Aristotle, Xerxes and King Solomon. Prevailing modern opinion, however, is that the game originated in India where it was known as "chaturanga," signifying "quadripartite."

In the earliest form, four players each occupied one side of the board, with eight pieces—king, elephant (bishop), horse (knight), ship (rook) and four foot soldiers (pawns). The players on opposite sides of the board were teamed against the others, and the pieces were moved according to throws of an oblong die. About the sixth century, the four fighting forces were combined into today's two forces of 16 pieces each. Not until the late 15th century, however, were the modern powers of the pieces settled. By this time the game had spread eastwards and, via Persia and Islam, westwards to Europe.

Caxton's choice of *The Game and Playe of Chess* (1474-6) as his second English publication indicates the popularity of the game although, disappointingly, the book was a moral parable rather than a manual for players. In the 16th century,

international contests like the meeting between the Spanish master, Ruy Lopez, and Giovanni Leonardo da Cutri of Italy excited great interest and high emotions—which might explain da Cutri's subsequent murder by poisoning.

During the same period, the 14-year-old "Il Calabrese" became the world's first recorded chess prodigy. The most famous 18th century player was Wolfgang von Kempelen's "automaton," which defeated Napoleon and Catherine the Great but turned out to be operated by a dwarf chess master hidden inside the machine.

Many more curiosities of the game are brought to light in Victor Keats' handsome new *Chessmen for Collectors* (Batsford, £35). A useful, comprehensive guide to the history of chess pieces, it is arranged by geographical regions and describes and illustrates upwards of 300 representative sets ranging from the 17th to the 20th

Collecting

A quiet mating game evolves

century; and from carved ivory and Meissen porcelain to contemporary designs in glass or wire.

The book is a mass of information; regrettably, it is not always well organised but tends to lurch backwards and forwards in its chronology. It would have been nice, too, if the early illustrations of chess pieces cited in the text had been reproduced.

Gardening

Try a bit of graft

weak trees that are precocious and start to bear when only a few years old. Trees can be grafted on to self-respecting fruitgrower would put it quite like that. He would substitute "dwarf" for "weak" which does not sound quite so alarming but does conceal part of the truth.

Apples grafted on to a very dwarfing rootstock, such as M27, are weak. If they are not well cared for they are likely to die young or become so stunted that they are useless. But given good soil, clean cultivation and regular feeding, they can be marvelous little trees and most of the few nurseries that do offer apple trees grafted on to year-old trees. But since these will probably start to crop the following year, what does it matter?

Chess

PROBLEM No. 601

1985 PROVED a landmark in the efforts of women chess-players to gain credibility as potential rivals to male grandmasters.

Pia Cramling, now 22, of Sweden, and Zsuzsa Polgar, 16, of Hungary, defeated GMs and finished high up the tournament tables at the very strong New York Open, while woman world champion, Maia Chiburdanidze, 24, took first prize at Banja Luka and made an excellent impression in competition with leading British men at Lloyds Bank in London. Earlier Cramling defeated Viktor Korchnoi.

Following these good results, many more organisers have been persuaded to give oppor-

Certain male GMs find the three women psychologically "difficult" opponents, and adopt unadvised strategies against them. In this week's game, for example, Black is a respected Czech Olympic player, but appears obsessed by the idea that a negative waiting policy will induce Polgar to blunder. However she is an accomplished technician, using her space advantage to force the grand master into a progressively cramped position and, eventually, a lost endgame.

White: Z. Polgar (Hungary). Black: J. Lechtyanov (Czechoslovakia). Queen's Gambit Declined (Czech International 1985).

1 P-Q4, N-KB3; 2 P-QB4, P-K3; 3 N-KB3, P-Q4; 4 N-B3, B-K2; 5 B-N3, Q-N2; 6 P-K3, P-B3; 7 R-B1, Q-Q; 8 B-Q3, P-QR3.

Conventional is 8 . . . P-P; 9 BxP, N-Q4; 10 BxP, QxP when Black draws by careful play but has few winning chances.

9 P-B5, R-K1? Definitely an error, allowing White to penetrate the weakened Q-side. The temporary pawn sacrifice 9 P-K4; 10 P-P, N-K1; 11 B-KB4, N-BP is the right plan.

10 B-KB4, N-K4; 11 Q-Q; P-KN3; 12 P-KR3, N-B; 13 P-N, B-B1; 14 Q-B2, B-N2; 15 KR-K1, N-B1; 16 N-QR4, B-O2; 17 N-N6, R-N1; 18 P-QR4, Q-B2; 19 P-N3, P-B3; 20 K-R2, Q-R1.

White has systematically reinforced her position. Black's pieces have congested on the back ranks. Late in the day, Black decides to break for freedom by P-K4, but this advance should be prepared by R-K2 and Q-R1.

Cooke. Original Staunton sets, in special boxes bearing the facsimile of his signature, or fancy cartoon-style caskets, are much prized by collectors.

C. Barrett and Co of Burlington Arcade is probably the most experienced London antique dealer specialising in chessmen. Its stock ranges from elaborately carved 19th century Cantonese sets to a modern "Alric in Wonderland" set. Christies has very largely covered the auction market since its first sale devoted entirely to chess sets in 1980. A group of good sets will be included in a sale on May 21.

In October Christies sold a good early 18th-century set of ivory chessmen in the form of bears, carved in Bern, for £7,344, against an estimate of £3,000-5,000. In the same sale a set of bust-form pieces in the Dieppe style realised £3,672.

These results suggest that prices have appreciated substantially since the 1980 sale, in which a Meissen frog set realised the top price of £5,200; an elaborate late 18th-century Delhi set made £4,500; and a Madras set in green-stained and natural ivory £2,000. It is fair to guess that, five years later, these prices would be at least doubled.

Janet Marsh

pletely for garden trees. It will reduce to around 15 ft a cherry that normally would be 20-25 ft at maturity.

Another foot or so can be cut off by a technique known as double grafting. Instead of the scion being grafted straight on to the rootstock, a short length from yet another variety is first put on it and the required cherry on top of that. In this way the sap rising from the rootstock is filtered through the intermediary stem and, in some mysterious way, is changed. If the right intermediary is chosen, the result will be reduced vigour and a smaller tree. The only firm I know is using this technique, and offering extra dwarfing double grafted cherries to the public is Deacon's Nursery at Godshill, Isle of Wight.

For many years the least vigorous rootstock used commonly for plums was St Julien A, but now a much more dwarfing variety is available named Pixy. This will reduce a normally 20 ft plum to 10 ft and make it bear in about its third year. It is a considerable step forward and another fine piece of breeding by the East Malling Research Station. Pixy is also being used as a stock for peaches, nectarines and apricots.

Arthur Hellyer

PROBLEM No. 601
BLACK (9 men)
WHITE (10 men)
White mates in two moves, against any defence (by A. Casa). Several carrier solvers praised the obscure white key to this tricky problem.
SOLUTION PAGE XIII
Leonard Barden

• DIVERSIONS •

Knit your own designer sweater

JANUARY IS not usually the cheeriest of months. Marred by what my children call post-purchase depression (and if you are not suffering from it you have obviously had a wiser, more sensible Christmas than I did), it is a long time to the next pay cheque and the next legitimate indulgence. But it need not be all gloom—if you are feeling poor, cold, but energetic, you could cheer yourself up by starting to make your own designer sweater.

True, it will require some initial outlay. You can quieten your conscience by reflecting thoughtfully that you really are saving yourself about three-quarters of the price it would cost ready-made, and that all the effort you are going to put into it deserves some reward.

What I wanted to offer How To Spend It readers this New Year was a really gorgeous sweater, soft, luxurious, entirely different in kind from the classic chain-store numbers that form the backbone of most wardrobes. Who better to ask to design it than Sandy Black? Her creations have long been admired by those with a weakness for such things. They are mostly sold in up-market boutiques with very up-market price tags. How To Spend It readers can make one of her designs for very much less.

Sandy Black came up with the richly patterned, soft, wonderfully light sweater photographed and sketched here. It is only available in kit form—that is, the pattern and all the necessary wool are sold as a complete pack.

The kit is offered in two different price ranges. The most luxurious, the most desirable, is a combination of pure wool with soft 100 per cent angora at £99.50 (if the price makes you cringe, let me assure you that Sandy Black's sweaters in similar wools are selling, and selling fast, at about £400 in the shops). For those who cannot afford that sort of outlay there is a cheaper version, using a combination of pure wool with 100 per cent cotton chenille at £39.95. The angora design has a marvelously soft and fluffy air to it. The chenille one has more of a matt, velvet-like effect.

The choice of colours for both kits is very similar—soft, donkey brown twined as the background colour, tinged with subtle flecks of mauve, brown and green. The rosette patterns are in four drab pastel shades—pink, mauve, green and beige. It is the sort of sweater that you can wear casually over jeans or cords or wear it over a slinky skirt or cropped trousers to all but the grandest of gatherings.

The apparently intricate design is based on a simple all-over pattern of circles cleverly arranged and coloured to form individual rosettes. The basic stitch is a very simple one—the sweater itself is knitted entirely in stocking stitch—so everybody except complete beginners should be able to complete it. The edgings and collar are worked in a diagonal rib. There are deep ravel sleeves and because the sweater is in fashionable large and generous mood there is just one size which should fit everybody up to size 40 inches.

The kit, available at the prices given (£99.50 or £39.95), has been organised with the help of Rie's Wools of Holborn, London WC1, one of the most interesting and enlightened wool shops in Britain. The complete pack includes a woven label to give the sweater a final professional touch. You can either order by sending a cheque to Rie's Wools made payable to Rie's Wools of Holborn, or there is a 24-hour answering service and you can order by quoting your American Express, Visa or Access card number over the tele-



Sandy Black's exclusive design, available in kit form to How To Spend It readers. Wear it casually with jeans or cords, or team it with a slinky dark skirt or a pair of fashionable cropped or "ski" trousers and you can wear it to all but the most formal of gatherings. View from Monday at Rie's Wools, Holborn



(This should be particularly helpful to overseas readers.) If you would love to own the sweater but feel that your skills or will-power may not be up to the task (Rie's Wools estimates it will take between three and six weeks' knitting time), Rie's Wools run a band-knitting service, for an extra £90 (in whichever version you choose) the sweater can be knitted for you. If you would like to see the sweater before you embark on the project it will be on display from Monday at Rie's Wools of Holborn, 242-243 High Holborn, London WC1V 7DZ (less than 100 metres from Holborn Underground Station). Open Monday to Friday, 9.30 am to 6 pm and on Saturdays from 9 am to 4 pm. Telephone: 01-242 7721. The kits will be dispatched in strict rotation but you must be prepared, at worst, to wait up to 28 days for delivery (the earlier orders will be dispatched must faster). Good knitting!

Lucia van der Post
HOW TO SPEND IT



Sketched above, left to right: Conture's Charmaine Print tights. In a range of colours, they are 30 denier 100 per cent nylon, and are available at £3.35 from most good hosiery departments and from The Sock Shop branches. Seams have made a comeback—shown here are Jonathan Aston's tights with a rosette at the ankle (best in black in my view, but they also come in other colours), 15 denier, £7.99 from The Sock Shop branches. Nina Ricci's richly floral design on a background of dusky pink with misty blues and greys, £7.95 from Harrods of Knightsbridge, London SW1 (p+p £1.10).

Mary Quant's dark red, blue, beige, gold and black flowered tights, 30 denier, £4.99 from good hosiery departments and The Sock Shop branches. Another Mary Quant design—this time 15 denier in a Paisley design. Background is dark red, Paisley is in dark blue, black and green, £4.99 from stores and The Sock Shop. For the designer-conscious—Missouri tights in purple, burgundy or green, 30 denier, £6.95 from Harrods of Knightsbridge, London SW1 (p+p £1.10). More designer tights—this time by Emanuel, £9.95, in black or red, from good hosiery departments including Harrods of Knightsbridge (p+p £1.10).

Fitted up with an eye to a leg

IF THE cold spell has caught you unawares and you are hoping, tentatively, reasonably according to me, entirely in judiciously according to the stores) that you might be able to stock up on some of winter's warmer accessories during the coldest months of the year, my advice is that you had better move fast. Once the January sales are over the theory seems to be that England becomes a tropical island—tiny bikinis, floating kaffans and sleeveless summer dresses blossom in the store windows. But if it's tights you want, something to keep you warm and flatter at the same time, you'd better buy them now.

Anybody with an eye to a leg will have noticed that tights are more than usually interesting this year. They are either thick and ribbed and textured, or they sport some dazzling piece of head-turning coquetry on the ankle, or else they are awash with paisley, tartans or florals. What they are not is dull.

There is now a proliferating range of manufacturers' names to look out for, with an increasing number of designer tights. Hermes has entered the market for the first time, taking its own feather design, which has graced so many regal heads on its scarves, to embellish the leg instead. At £15 a time (in tannish gold or dark blue) they may seem expensive, but compared with Fogal's pure cashmere ones at £53 a time (in all sorts of colours) they seem like a snip.

Fogal is a marvellous name to look for if you are having trouble finding the exact colour to match an outfit. There are well over 100 different colours (including an exacting shade of dark green called *Boutelle* which I tramped the town for until somebody told me about Fogal). The snag (there had to be one, if you'll pardon the pun) is that they can only be bought through Fogal's own two shops—at 35 New Bond Street, London W1, or 51 Brompton Road, London SW7.

The big challenge to tights manufacturers is fit: two rival fibres claim to have the last word on the matter. In one corner we have Lycra (Du

Pont's elastane fibre). Lycra supporters claim that tights with Lycra provide the best fit: no sagging or wrinkling. This good fit in turn means that they last longer (because there is a slight element of cling, Lycra tights do not catch or snag so easily). Lycra is now incorporated into several ranges of tights, including some Pretty Polly ones (possibly some of the best value around). The Marks and Spencer hosiery buyer is a Lycra fan. There are now three colours and three qualities of fashion tights incorporating Lycra in most Marks and Spencer stores (look out for Whisper Sheer or Dream Sheer—tights manufacturers, you will observe, tend towards the fanciful when christening their wares).

In the other corner we have a new Japanese polyester yarn, Chief purveyor of this yarn is Charnos with the Tender Touch collection—Charnos believes the fit and clingability is better than Lycra.

If you are looking for some of this season's most avant-garde, most interesting designs, several of them are sketched here. One word of warning, though—patterned tights are harder to wear than plain. They draw much more attention to the legs, so those whose legs are not their best feature might do better to stick to plain. Patterned tights, too, are much harder to co-ordinate with your clothes, so choose carefully, with the outfit you want to wear them with to hand.

As for me—you can keep the elaborate patterns, the tartans and the paisleys—my money will go to the first manufacturer I can find who provides me with a nice pair of ribbed tights in a good plain dark grey. It does not seem much to ask, Charnos with the Tender Touch but I have not found them yet.

Which clairvoyant for you?

SEVERAL READERS have asked which of my encounters with clairvoyants described in last week's How To Spend It I found most useful. All were different, each had its own merits; I think the most useful advice I can give to people seeking this sort of help with their lives is to consult an astrologer as well as a palmist or clairvoyant.

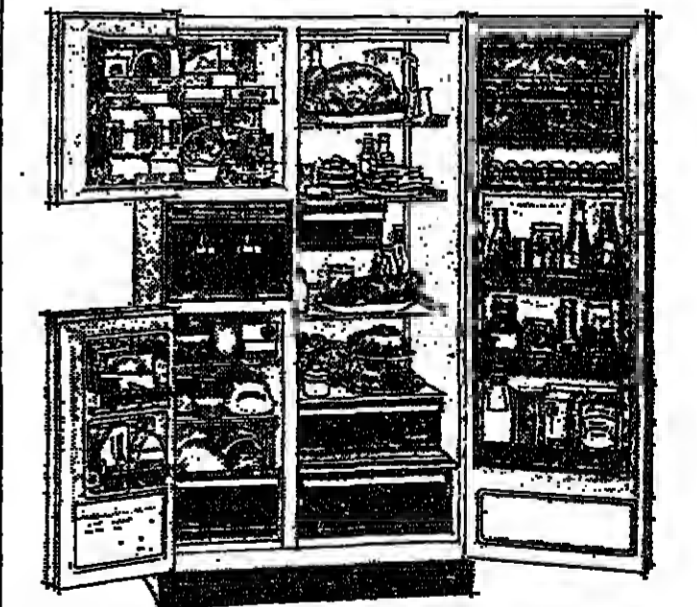
The palmists and clairvoyants gave me a much more literal reading of the past and future than the astrologer. How they work, nobody really knows; but good clairvoyants seem to have an ability to tap into the subconscious and the forward memory bank that is often astounding. Most of them have good intuitive skills, but differentiating between genuine intuition and imaginative licence is what separates the indifferent from the first-class.

I came away from both Mme Arno and Bettina Luxon with a distinct spring in the step—lots of the goodies were just around the corner. Peace, prosperity and happiness were within my grasp. But after a few hours a sense of reality (or pessimism?) began to bit me; I began to feel less sure that such golden opportunities could really come my way. On the other hand, both of them—Bettina Luxon in particular—had hit upon some past and present truths that seemed scarcely credible.

I came away from Marjorie Orr feeling that there was much more serious help for those with difficulties in their lives. The pointers are much less literal, the onus put back much more on to the individuals to make of their lives what they can, using the astrological patterns to understand the forces that govern them. Astrology is more and more being allied to Jungian psychoanalysis and Marjorie Orr frequently refers troubled clients on for short or long-term counselling. Certainly, after my brief encounter, I came away feeling I had greater insight into some personal difficulties, and a greater willingness to explore dark areas. (Bettina Luxon: 01-554 2646; Marjorie Orr: 01-435 2117.)

HARRODS SALE

Starts Wednesday 8th January 9am to 7pm
Household Appliances Greatly Reduced



Examples from AMANA
Both in White or Almond. Made in USA.
Fridge/Freezer model SD1-25
Frost-free. Three-door 'Ice 'n' Water' refrigerator 15.99cu ft, 2 freezer compartments, 8.75cu ft. Adjustable glass shelving. 170x50x78cm. On rollers. Requires plugging.
Harrods Orig. Price £2,195 Sale Price £1,645
Interest-free credit £164.50 deposit and 9 monthly payments of £164.50 each. Total credit price £1,645

Fridge/Freezer Model TH14, not shown
Frost-free. Two-door refrigerator 10.92cu ft. Freezer compartment 3.23cu ft. Seven-dial meter keypad. Energy saver control. 160x71x76cm.
Harrods Original Price £920 Sale Price £690

Major Household Appliances. Cooks Way Second Floor. Carriage free over a wide area. All reductions are from Harrods previous prices.

INTEREST-FREE CREDIT AGREEMENTS with 10 monthly payments, including deposit, are available on selected items over £250; see example given. Ask for written details.

Harrods Cardholders can charge Sale goods to their account, or any of the following credit cards may be used: Firstcard/American Express/Access/Visa/Diners Club.

Sale Opening Hours: Wednesday 8th January 9am to 7pm. Thursday 9th January to Saturday 18th January 9am to 6pm. Monday 20th January to Friday 31st January 9am to 5pm. Wednesday 9am to 7pm. Saturdays 9am to 6pm.



SALE IS NOW ON AT 6/7 NEW BOND STREET
Ladies' and men's fashion and all leather goods greatly reduced e.g. ladies' boots were up to £170 now to clear from £50

WINTER BURGHUL SALAD
Summer salads of burghul are usually fragrant with fresh mint, a commodity in short supply at this time of year, but a combination of lemon, watercress and spring onions gives this version a good fresh flavour and an attractive green-flecked appearance.
Squeeze the juice of a smallish lemon into a measuring jug and add enough water to make

Cooking Fresh and fragrant

1 pt. Bring the mixture to the boil with 2 tbsp virgin olive oil. Tip in 7 oz burghul wheat (or bulgur or cracked wheat as it is sometimes called). Immediately draw the pan away from the heat. Stir well and continue to stir occasionally as the mixture cools, during which the grain swells and becomes tender as it absorbs the liquid.

Trim a small bunch of spring onions and discard the coarse stalks of a bunch of watercress. Put the good parts of each into a blender or food processor and reduce to tiny green flecks. Stir the greenery into the cooled burghul and season well with salt and pepper. Add a little more lemon and/or oil if you think the burghul needs it. Pile the burghul on to a shallow dish for serving and garnish to taste. I sometimes add clumps of watercress and surround the wheat with slices of avocado, carefully peeled and brushed with lemon. Slices of kiwi fruit also look pretty as do carefully-peeled segments of pink grapefruit.

COX'S PIPPIN SALAD

Put about 3 oz each whole cbcory leaves and frilly crisp lettuce into a salad bowl. Scatter over them a little corn salad and a bunch of watercress. Add 4-5 finely-chopped spring onions, 2 large Cox's apples, cored and sliced but not peeled, and about 1 1/2 oz hazelnut kernels—fresh or lightly toasted if you prefer.

JADE AND IVORY SALAD

Pretty and fresh tasting, this is a good accompaniment to cold roast gamebirds or turkey. Delicious, too, when simply served with a rice or burghul salad.

Steam 1 lb mangout' until barely tender, so that they are still slightly crunchy and retain their beautiful colour. Plunge them in cold water to arrest cooking, drain well and pat dry with kitchen paper towels. Dress them while still warm with a vinaigrette made using fresh lime juice instead of vinegar

and made additionally piquant by a little ginger juice. (Crush a slice of green ginger in a garlic press to squeeze out the juice.) Slice, steam and dress 1 lb courgettes in exactly the same way. To serve, arrange the mangout' like a sunburst on a flat serving dish, pile the courgette slices into the centre and scatter the whole dish with a little zest of lime. A handful of lightly toasted pumpkin seeds can be added for good measure.

PEAR SALAD WITH WALNUT RICE
Cook about 6 oz rice and dress it while still warm with a vinaigrette made using walnut oil and a good splash of soy sauce. Mix in 1 lb chopped walnut kernels and leave until cold.
Peel, core and thickly slice 4 perfectly ripe pears. Brush them with tarragon vinegar to prevent discoloration, then put them into a bowl containing about 4 tbsp each mayonnaise and Greek strained yoghurt, beaten together with about 1 tsp of walnut oil. Turn the fruit gently to coat it all over.
Arrange the cold rice in a ring on a dish. Pile plenty of watercress into the centre.
Arrange the pears on top and spoon any leftover mayonnaise sauce over them. This is very good in its own right and goes well with cold poultry and gamebirds.
Philippa Davenport

WHERE DESIGNERS GET THEIR FUTONS.
Sale on until 25 Jan.

FUTON COMPANY
82/83 Tottenham Ct. Rd. W1. 6369984. 654 Fulham Rd. SW6. 7369190. 10/12 Rivington St. EC2. 729 0670
8 Bedford St. Kemp Town, Brighton. 0273 687320

LATE OPENING THURSDAY TILL 7.30. TOTTENHAM CT. RD.

BOOKS

Ross's boundaries

BLINDFOLD GAMES by Alan Ross, Collins Harvill £12.95, 301 pages

ALAN ROSS was brought up in India where his family on both sides had been part of the British community for generations. Ross remembers the twilight era of the Raj as part of the magical years of his childhood; he describes his parents' Indian servants who became his friends, and his early love of cricket which he has never lost. Before this book of memoirs Ross wrote a biography of Ranji, the Indian cricketer-prince. He was too young to see him play for Sussex before the first world war, but when Ross arrived at his prep school in 1932 in East Grinstead in the county side, of which the boy soon became a devoted supporter, was captained by the nephew, Duleepshahi.

I had taken two wickets in the few overs I was allotted in the Lawrence innings; I returned walking on air and to much applause. After that triumph the tables were turned on his quondam tormentor: "He was seized and stripped. Floor was strewn over his skinny body, ink poured on him, and eggs broken over his face. Ross meanwhile is awarded his colours for cricket and goes on to make a steady stream of runs against the top sides from other public schools until he is ready to leave to join the Navy at the beginning of the war.

looking back to the 1940s, and the other forward to what is happening to literature in those countries where cricket is seldom, if ever, played. If he was going to be a poet, by rights Ross ought to have been a bland and charming versifier, a strawberries and cream sort of poet, but this is not the case at all. His verse is in the mainstream of modern poetry. He continued to study French and German poets at Oxford, where he went for two years while waiting to be called up into the Navy: it was his experiences on active service as a "headache, wireless operator" first as a rating, then as an officer, that eventually released his poetic gift. His long poem "JWS1E," an account of a British Arctic convoy under fire from an overwhelmingly superior German force, seen from the vantage point of HMS Onslow, in part of which Ross was sealed trying to put out a fire, is one of the finest poems to have emerged from the war. It is printed here in full together with many of Ross's war poems, inter-leaved between chapters of prose. These are not intended to form a complete autobiography; they are a series of memoirs, "the raw material out of which I write poetry." The prose account of the great naval battle in 1942, after which the ship's captain was awarded the VC, is every bit as memorable as the poetic version. Ross, whose other recent book was on war artists, has a painterly eye for the surprising detail as well as the detachment of a working painter in the midst of carnage and shipwreck.



Alan Ross: battle on the high seas

dreams through reading books like Yeats-Brown's Bengal Lancer. Once this Indian paradise was lost it was never recovered, even though there are compensations back in England such as watching Langridge and Jim Parks play for Sussex. The Oxford section of the book is the briefest. Ross coincided at St John's with the Larkin-Ali generation of poets. He hardly knew them but a portrait is given of that eccentric undergraduate, Bruce Montgomery who turned into the detective story writer Edmund Crispin and whose detective Gertrude Fen is (Ross reveals) partly based on their French tutor, W. G. Moore. The remainder of this enjoyable book deals with Ross's five years in the Navy. It is not all action stations by any means; we receive a strong whiff of

Anthony Curtis

Pioneer and settler

OUT IN THE MIDDAY SUN by Elspeth Huxley, Chatto and Windus, £12.95, 262 pages

THE KENYA PIONEERS by Errol Trzbinski, Heinemann, £12.95, 240 pages

WHAT A marvellous writer Elspeth Huxley is. Getting on for 80 years old and still turning them out, these extraordinary memoirs of colonial life, Out in the Midday Sun, this time more accurately sub-titled My Kenya.

And Mrs Huxley is free as well to expatiate on the ills of modern Kenya, as she found them on a return visit in 1983. Education outstripping employment, the goal of a country TV in every hut unattended by the wretched of land hunger, German tourists making love freely with local fishermen on the beaches. Half a century ago, when she was sitting in on Professor Malinowski's lectures alongside a dangerous student named Johnston Kenyatta, Kenya's future must have looked very different.

doubt and despair. Everything had to be built up from scratch, with no help from anyone, no encouragement either. "How far is the town?" asked one early arrival at Nairobi station. "This is the town," they told him.

Nicholas Best

From the Front

THE COLLECTED POEMS OF CHARLES HAMILTON SORLEY, by Jean Moorcroft Wilson, Cecil Woolf, £9.95, 142 pages

A BIOGRAPHY OF CHARLES HAMILTON SORLEY, by Jean Moorcroft Wilson, Cecil Woolf, £12.50, 215 pages

IT IS 70 years since Charles Hamilton Sorley's death, an anniversary marked by the release of these two volumes in conjunction with a touring exhibition seen last year in The English Faculty Library, Oxford. Sorley has joined, finally, the institutionalised poets of World War One, thanks to the labours of Jean Moorcroft Wilson (in private life Mrs Cecil Woolf).

months in Germany, despatching many precocious journalistic letters; he returned with the outbreak of war. Despite his affection for Germany and his contempt for patriotism—he boasted that he had written the first unpatriotic poem since the war had begun—he enlisted. He died, a captain, a year later.

Clive Fisher

A ceremonial blanket from Prince of Wales Island, south-east Alaska, showing the outline of a bear made from shells. It is one of the illustrations in "North American Indian Mythology" by Cottie Burland, revised by Marion Wood (Newnes Books, £7.95)



THE BOOK OF MUSICAL ANECDOTES, by Norman Lebrecht, André Deutsch, £12.95, 382 pages

THE MAD Scientist and the Absent-Minded Professor are two stereotypes that have fallen out of fashion, but the Eccentric Genius is still cherished. Composers are expected to override common courtesies in the grip of their creative fire; musical performers are expected to be flamboyant and jealous. Callas pronounces an Tebaldi (whose style was more sedate); "What a lovely voice, but who cares?"

Allegro con brio

composer Ned Rorem: "The trouble with you and me is that we want everyone in the world to personally love us, and of course that's impossible—you just don't meet everyone in the world." Selecting from the biographical literature of music over the centuries, Mr Lebrecht is stronger on composers than on performers, past and present. Menuhin is invoked for a story about Toscanini, Arthur Rubinstein for stories about Strybin and Rakhmaninov, but the way in which Menuhin and Rubinstein themselves became such well-loved personalities is not illustrated at all, though sources are plentiful. The rich anecdotal crop in Hermann Klein's 19th-century memoirs, the personal recollections of such instrumentalists as Sargent and Tertis, the several books devoted to Kathleen Ferrier—none of these are quarried, nor the remarkable single-year auto-

Arthur Jacobs

Hours at Ham Spray

EVERYTHING TO LOSE: DIARIES 1915-1960, by Frances Partridge, Gollancz £12.95, 383 pages

THE STRACHEY LINE: AN ENGLISH FAMILY IN AMERICA, INDIA AND AT HOME FROM 1870 TO 1902, by Barbara Strachey, Gollancz, £12.95, 192 pages

FRANCES PARTRIDGE'S book is everything a diary should be; witty, personal, filled with description, reflective and stimulating. That it ends with a tragedy, the fatal heart attack of Frances Partridge's most loved husband, Ralph, might be expected to cast a terrible cloud of misery over the last years. In a sense it does. On the other hand, the book comes out 25 years later and is annotated and expanded by a woman who at the age of 85 obviously still finds much to live for.

Mrs Partridge to question her own basis for life. One entry describes how she abandons the books Connolly says she ought to like and returns to the "reality" of Madame de Sévigné's letters. "But what, I have been wondering, is the prop which sees the rationalist through acute misery and stress?" For Madame de Sévigné it was religion, but for the atheist what? I can only think that he clings to love and friendship.

optimists, enthusiasts. The first is William Strachey, the venturer (1512-1621), who began as a poet and patron of theatre, but soon was off on mainly travels round the world. The most dramatic adventuring threw his ship into the tail end of a hurricane which lasted for several days until they were washed up, alive only by a miracle, on Bermuda. Luckily the island was something of a paradise and they lived there for six months until they could build a new ship and sail off to America. The incident, brilliantly documented by William, was the inspiration of The Tempest.

Rachel Billington

BOOKS OF THE MONTH

Announcements below are prepaid advertisements. If you require entry in the forthcoming panels, application should be made to the Advertisement Department, Bracken House, 10 Cannon Street, EC4P 4BY. Telephone 01-248 8000 ext 4064. Order and payment for books should be sent to the publishers and not to the Financial Times.

Heroic chemist's life-story

THE PERIODIC TABLE, by Primo Levi, Michael Joseph £9.95, 233 pages

A CHEMIST'S view of the world is unusual, to say the least. Primo Levi sees himself "unarmed and on foot," emerging from the laboratory to convey to the layman "the strong and bitter flavour of our trade." Actually a good deal of what he describes is unpoetic. Here is lipstick which falls to stick for want of bird-time in it; solidifying paint, and X-ray paper showing up what look like white beans, but only on a Tuesday. The way he forces chapters into shapes corresponding to chemical elements may seem contrived, but there can be no mistaking his absorption in people and their stories, always the sign of a true writer.

His first job was trying to extract nickel from the spoil of an asbestos mine, in vain fortunately, for the nickel would have gone to the Italian aircraft industry at war. Then a bizarre Swiss engaged him to work in Milan on curing diabetes according to the notions of a Nazified theoretician. The friend with whom he went mountaineering became a hero of the Piedmontese resistance. Shyness prevented him from declaring to a woman his feelings of love.

David Pryce-Jones

JONAS HANWAY: FOUNDER OF THE MARINE SOCIETY, by James Stephen Taylor, Seoliar Press, £20.00, 248 pages

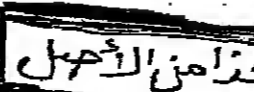
JONAS HANWAY, if eclipsed perhaps by living in the age of Gibbon, Samuel Johnson, Burke and Adam Smith, was certainly, as depicted by Professor Taylor's thorough and scholarly record, a most remarkable man. Starting as a merchant traveller for the Russia Company, he became the leading 18th century philanthropist and founder of the Marine Society, but also a prolific author and pamphleteer, a Commissioner for Virtualizing the British Navy, a political lobbyist and campaigner and a meticulous administrator of charities.

Man of vision

published a book or pamphlet almost every year for the rest of his life. His greatest and most lasting achievement, the Marine Society, sprang in 1756 from his characteristic twin desire to rescue starving, parentless children and supply much-needed volunteer manpower to the Navy. The Society was an immediate success. Some 15 per cent of Nelson's crews were later believed to have been recruited from it, and it has of course remained a leading maritime charity to this day.

used his continuing connections in the City and the Navy to collect large donations, to recruit influential "Governors" for his charities and to publicise his appeals. It is indeed a highly impressive record of sustained energy and multifarious activity by one man over more than 30 years which Professor Taylor records.

Douglas Jay



ARTS

B. A. Young remembers the best and the worst of a year's listening

Spare us the voice of the majority

THE CONCLUSION I have drawn from a year's listening more strongly than any other is that phone-ins are a waste of everybody's time.

There is a current argument that radio must be more accessible. The listener must have more say in what goes on.

The examination of important figures is a matter important enough to be left to trained specialists.

to voice his own opinions? Opinions about current affairs, I mean, not critical judgments.

In the autumn he gave us a six-piece Star Wars History, also on Radio 3.

Radio 4, once free of the phone-ins, did some political programmes of comparable quality.



Sir Robin Day



Gordon Clough



Michael Quaritan



Brian Wylake

Peter Hennessy's series, The Quality of Cabinet Government. But enough of politics (unless the sundry bits about how to raise the money to run the BBC counts as politics).

There were a lot of anniversaries to celebrate and deaths to mark, and those are the kind of thing the BBC is keen on.

It has probably escaped the attention of most listeners, but

1985 was International Youth Year. It did not escape the attention of Radio 4, at any rate.

Of the non-political features, I suppose the most publicised was the Colour Supplement, that occupied the greater part of Radio 4's Sunday mornings for week after week.

could have devoted so much time and money to such driving triviality I cannot imagine. Was it a deliberate satire, perhaps, to show how trivial the content of most newspaper colour supplements is?

But there have been some very good things. Radio 4 ran a series called Maharaj, about the golden days of the Indian princes, which was (among other things) a very good advertisement for our Indian Empire.

'ere we go' may be a folk-song, and those risqué numbers comically associated, for some reason, with Rugby football.

On Radio 1, to which I listen only seldom, there was a remarkable series, Drug Alert, in which drug-addicts were persuaded to speak of their difficulties before the microphone.

If I seem to have paid too little attention to Radio 2, it is because Radio 2 programmes are not genuinely criticisable. Jimmy Young has become part of the daily life of many people.

HOW ARE the mighty risen. Six years after a fall that many people thought would be as final or damning as Lucifer's, Michael Cimino, director of Heaven's Gate, is back.

Yet two or three years ago it was possible that Cimino would never direct again. And even in recent months there has been a belated attempt at character assassination.

The book got favourable reviews in America and Britain, but Heaven's Gate insiders have already accused question marks over its accuracy and motivation.

But the most intriguing critic has been David Field. He was Bach's colleague and co-head of production at UFA, had day-to-day studio authority over the Heaven's Gate operation, and, along with Cimino, pointedly refused to co-operate with Bach during the book's writing.

never took place. And he never mentions the extent to which UA President Andy Albeck got behind the movie and Cimino, once he had seen early footage. I remember that he came out of the viewing room and said, 'You have underestimated this film. It is Birth Of A Nation'.

Birth of a Nation it may have been. It was soon candidate for the title, 'Death Of A Studio.' Shortly after the film flopped with both press and public, United Artists was sold to MGM.

It all raises the question: Is there a place for ambition and vision in Hollywood movies today? Or is Cimino the latest victim of an industry that

insisted that the film's debacle had merely basted, not caused, the collapse of an already troubled studio.

Since Heaven's Gate, Cimino has come in for more character-blackening, from both inside and outside the industry, than any film-maker since Erich Von Stroheim.

It all raises the question: Is there a place for ambition and vision in Hollywood movies today? Or is Cimino the latest victim of an industry that

scarcely blanches when 30 or 40 million dollars are spent on epic misfires by 'okay' directors like Coppola (One From The Heart, The Cotton Club) or Spielberg (1941), but which must single out one scapegoat per generation over which to pour all its accusations of monomania and extravagance?

My hunch is that Cimino and Heaven's Gate, which I still regard as perhaps the most original and imaginative large scale film America has produced since the war, will have the last laugh.

Decades after being vilified as a spendthrift and autocrat, Erich

Von S is the darling of cinephiles across the Western world. Last year Queen Kelly, the Heaven's Gate of its day (1928) which broke the bank account of producer Joseph Kennedy and was aborted even before completion, was revamped, revived and rapturously received in Europe and America.

Compared to some of Mad Erich's extravaganzas, like insisting on silk underwear for his extras, even though the audiences would never see it, Cimino's in The Deer Hunter and Heaven's Gate at least ended up on the screen.

No wedding party was ever so richly and resonantly detailed

as that in The Deer Hunter. No period Western town ever looked so dazzlingly authentic—trolley wires, railtracks, four-storey houses, dance halls—as Cimino's recreation of Casper, Wyoming, in Heaven's Gate.

And the continuing wonder of that film is that its authenticity is so thorough that audiences reared on cliché—like the clipboard-and-sagebrush assembly kit that passes for a town in most Westerns, or the man's-gotta-do dialogue handed down through a thousand horse operas—cannot believe in the veracity of the real thing.

Of course it is as vain to hammer on some filmmaker's consciousness, seeking a chink of reason, as on a locked coffin. Of the American Press, who lately laid curses upon Cimino's Year of the Dragon, complaining of its anti-Chinese bias, Cimino now shrugs philosophically: 'They think of me as an outlaw. They regard me as Billy The Kid or Jesse James or something. Whatever I do, they shoot it up.'

But in the West Cimino is still the filmmaker everyone loves to hate. If he did not exist, Hollywood would have to invent him.

Nigel Andrews

Cinema

Hollywood's fallen angel

insisted that the film's debacle had merely basted, not caused, the collapse of an already troubled studio.

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Michael Cimino (left) and a scene from his new film, 'The Year of the Dragon,' which opens in London this week

Dance

Sawdust pathos in the snowy season

SADLER'S WELLS Royal Ballet is installed for a customary winter visit in its home theatre, and is avoiding the usual baubles that decorate ballet's tree at this time of year.

The first of two performances I saw at the week's end was made memorable by David Bintley's reading of the tragic puppet. Impressive when he first danced the role, Mr Bintley has now refined and deepened the tragedy of an interpretation which has no rival in my experience since the appearances of the last Ballets Russes stars (Masseine, Dolin) 30 years ago.

Mr Bintley's every gesture here has the emotional weight of those hieratic statements made by great Noh actors. Fascinating, too, the way this puppet's mittened hands appear to be filled only with straw and sawdust, acquiring thereby their own significant pathos.

Graham Lustig, in a performance on Thursday, offered a reading more nervous, more alert: it is entirely valid, though I would urge a calming of the hysteria which marks the spirit Petrushka's mocking of the Showman.



Alastair Muir

sent under Bramwell Tovey's baton.

The closing Grand Pas from Petrushka stretches many of the young soloists, but they respond with lively, whole-hearted dancing. On Thursday Galina Samssova was the central ballerina, demonstrating that rare understanding which makes her every performance an object lesson in schooling and style.

As a note in passing let me recommend an exhibition in the upstairs bar at the Wells devoted to the Austrian free dancer Grete Wiesenthal. It is worth getting to the theatre early to savour the charm of her presence so clearly captured in excellent action photographs taken in the first decades of this century.

Clement Crisp

Obituary

Lord David Cecil's literary legacy

THE DEATH of Lord David Cecil on January 1 at the age of 83 deprives the literary world of one of its most enchanting practitioners. Critics of literature, social historians and biographers, however eminent, do not as a rule write as well as the people they are writing about.

David Cecil, who could trace his descent back to the first David Cecil, the 16th century MP and aberrant of Northampton, and founder of a family distinguished through the centuries in public life, was the second son of the fourth Marquess of Salisbury.

From his aristocratic background Cecil acquired his love of beauty and harmony, and the steady independence of mind that enabled him to uphold these values long after they had ceased to be fashionable among his academic colleagues.



life with shrewd points to make about both. This was always his method whether he was dealing with Lamb, the Bronies, Hardy, Max Beerholm (of whom he wrote a massive life in 1964), or Virginia Woolf. Nor was his range confined to figures of the literary world, as is attested by

his two volumes on one of Britain's most formidable Prime Ministers, The Young Melbourne (1989) and Lord M (1995). In all these books the easy style, appealing to the intelligent ordinary reader rather than the specialist, conceals great artistry and grasp of social history.

Apart from authorship, Cecil's professional life was spent in Oxford at New College as a don in the English faculty. He was Goldsmith's Professor from 1948 to 1969. Together with that of his colleague J. R. Tolkien, Cecil's outlook gave the post-war Oxford English School its broad historical approach to the subject, underpinned by developing a capacity for appreciation in the student.

Anthony Curtis

Saleroom and a review of recent videos appear on Page VI this week

Theatre

Love of Palestine

THE PALESTINIAN theatre group El-Hakawati, based in East Jerusalem, is visiting the Almeida Theatre in Islington with The Story of the Eye and the Took, a crude, primitive and noisy version of the Romeo and Juliet story.

Two men dressed as pregnant women with huge enrobed bustles and sandbag bosoms meet at the source of a river, a silver-foil padding pool ruffled, glistening, by an overhead fan. They give birth and we jump forward to the children's wedding day.

In the end, though, this sort of ethnographic rough and tumble cannot survive on its local reputation alone. If such a group as this wishes to be measured against the rest of world theatre—an avowed intention of an extensive touring policy—it will have to improve its physical and intellectual standards.

("Go back to the desert, you useless Nomads" is obviously the height of insult.) The second act consists of a series of bowtzer rituals here and there tinged with Western rock rhythms.

The music is a ponderous mixture of Wagner, Prokofiev and, much better, the indigenous folk sounds of tribal ritual here and there tinged with Western rock rhythms.

Michael Coveney

CHRISTIE'S The right place for Jewellery Albert Middlemiss 8 King Street, St. James's London sw1 Tel: (01) 839 9060 David Lancaster 85 Old Brompton Road London sw7 Tel: (01) 581 7611

Art Galleries

A MAGICAL BOX. The ultimate experience for 2. Sleazebag and numbered chambers by Norwegian artist Gerhard Mollen. Medaille de Honneur. Paris 1985. Mon-Fri. 10-12.30. Sat. 10-12.30. 01-239 5161.

PERSONAL

Bosendorfer Pianos THE ULTIMATE VIENNA INSTRUMENT 0% APR OVER 8 MONTHS during January subject to status. Written details on request or telephone: BOSENDORFER LONDON PIANO CENTRE 38 Wigmore St (next to Wigmore Hall), London W1H 9PE Tel: 01-463 2171 or 01-463 7378

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Solution to Chess No. 681 1 E-QN2 (teat 2 Q-R4), 2 Q-QN2 (if N-B7; 3 N-N3, or 4 P-Q7, or 4 N-KP; 5 N-Q6, or 4 E-B2; 2 QxR, or 4 P-Q; 2 R-Q, or 4 E-B2; 2 R-N4.

WEEKEND FT

Private View

The voices of power



MRS THATCHER took lessons to tailor her voice to suit the image wanted to project as Prime Minister. It worked, and she has just given a knight...

On the other hand it may have been his voice, as much as his loyalty that stopped him from becoming Prime Minister. For by the time his chance came...

THE BOBBY megaphoned the mob: "Stay on the pavement!"

He cracked. The front ranks wavered, caught in mid-stride, leading feet hovering. "Please!" he threatened. They paved the air like liberty horses...

IF THERE was a golden age for British rugby in the 1970s, then this may be the dark age. Never before has the game come under such criticism for violent and dangerous play...

Credit squeezing

Outside again, and the crowd churned on. The piper was now firmly squashed against Selfridges window, ranting Scotland the Brave. The bobby was commiserating with a cross cabbie. They queued 20 deep at the Barclays Bank cash dispenser across the street.

As a result he was reprimanded severely by the Rugby Football Union, and resigned from the RFU's list of officials. But he was supported by the London Society of Referees, and has now returned to officiating in first division games.



Pieces of eight trickled through Benn Gunn's fingers, a clanking counterpoint to the unceasing sursuration of £10 notes and credit card slips.

black shoes. "An arm reached down to extract a shiny-faced toddler from every where in the centre of town. In the relaxed, orderly atmosphere of Peter Jones, John Lewis's upmarket flagship, polite ladies exchanged politenesses with their polite acquaintances.

Sport

Unacceptable face of rugby

Yet despite these reassurances, the spectre of violence stalks the game, and there are moves clubs can make to eradicate it.

Of Wales, any player from the Principality who is sent off four times will be banned six days, and any club to have five players sent off in a season will be suspended automatically.

FT CROSSWORD PUZZLE No 5913

Crossword puzzle grid with clues and solutions. Includes 'ACROSS' and 'DOWN' sections.

SATURDAY

Television and radio schedule for Saturday. Lists programs for BBC 1, BBC 2, Channel 4, and various regional channels.

TELEVISION AND RADIO

Television and radio schedule for Sunday. Lists programs for BBC 1, BBC 2, Channel 4, and various regional channels.

RADIO

Radio schedule for Saturday and Sunday. Lists programs for BBC Radio 2, BBC Radio 3, and other stations.

Solution and winners of the crossword puzzle. Lists names and addresses of winners for various puzzles.

Solution and winners of the Christmas crossword. Lists names and addresses of winners.

Television and radio schedule for Sunday. Lists programs for BBC 1, BBC 2, Channel 4, and various regional channels.

Radio schedule for Sunday. Lists programs for BBC Radio 2, BBC Radio 3, and other stations.

